



ANNUAL REPORT

**2016/ 2017
FINANCIAL YEAR**

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LIST OF ACRONYMS

AIDS:	Acquired Immune Deficiency Syndrome
BAC:	Bid Adjudication Committee
BEC:	Bid Evaluation Committee
CBD:	Central Business District
CDW:	Community Development Worker
CFO:	Chief Financial Officer
CoM:	City of Mbombela
CWP:	Community Works Programme
DCSR	Department of Culture, Sport and Recreation
DEA	Department of Environmental Affairs
DMM:	Deputy Municipal Manager
DRP:	Disaster Recovery Plan
DWA:	Department of Water Affairs (now Department of Water and Sanitation)
EA&ES:	Environmental Awareness and Education Strategy
EDM:	Ehlanzeni District Municipality
EE:	Employment Equity
EIA:	Environmental Impact Assessment
EMS:	Emergency Medical Services
EPWP:	Expanded Public Works Programme
FY:	Financial Year
GEPF:	Government Employees Pension Fund
GM:	General Manager
GRAP:	Generally Recognised Accounting Practice
HIV:	Human Immunodeficiency Virus
HR:	Human Resources
HVAC:	Heating, Ventilation and Air Conditioning
ICT:	Information Communications Technology
IDP:	Integrated Development Plan
IGR:	Intergovernmental Relations
IMQS:	Infrastructure Management Query System
IT:	Information Technology
JMPF:	Joint Municipal Pension Fund
KLCBT:	Kruger Local Chamber of Business and Tourism
KM:	Kilometer

KPA:	Key Performance Area
KV:	Kilovolts
LDV:	Light Duty Vehicle
LED:	Local Economic Development
LLF:	Local Labour Forum
LUMS:	Land Use Management System
MCPF:	Municipal Councillors Pension Fund
MEDA:	Mbombela Economic Development Agency
MEDP:	Mbombela Economic Development Partnership
MEPF:	Municipal Employees Pension Fund
MGF:	Municipal Gratuity Fund
MFMA:	Municipal Finance Management Act
MLAC:	Mbombela Local AIDS Council
MLM:	Mbombela Local Municipality
MM:	Municipal Manager
MMC:	Member of Mayoral Committee
MMS:	Multimedia Message Service
MOU:	Memorandum of Understanding
MPAC:	Municipal Public Accounts Committee
MPLIS:	Mpumalanga Provincial Library Services
mSCOA:	Municipal Standard Chart of Accounts
MTSF:	Medium-term Strategy Framework
MRM:	Moral Regeneration Movement
MVA:	Megavolt Ampere
NAFCOC:	National African Federated Chamber of Commerce and Industry
NFMW:	National Fund of Municipal Workers
OHS:	Occupational Health and Safety
PCF:	Premier's Coordinating Forum
PIU:	Project Implementation Unit
POS:	Point of Sale
PTIS:	Public Transport Infrastructure System
RBIG:	Regional Bulk Water Infrastructure Grants
RPL:	Recognition of Prior Learning
SALGA:	South African Local Government Association
SANCO:	South African National Civic Organisation
SAPOA:	South African Property Owners Association

SCM:	Supply Chain Management
SDBIP:	Service Delivery and Budget Implementation Plan
SDF :	Spatial Development Framework
SLA:	Service Level Agreement
SMMEs:	Small Medium Macro Enterprises
SMS:	Short Message Service
SPLUMA:	Spatial Planning and Land Use Management Act
Stats SA:	Statistics South Africa
TOR:	Terms of Reference
TUT:	Tshwane University of Technology
UDZ:	Urban Development Zone
WTW:	Water Treatment Works



1. CHAPTER 1: EXECUTIVE MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

1.1 Executive Mayor's Foreword



The City of Mbombela presents its Annual Report for 2016/2017 financial year which marks the progress made with regard to service delivery to our communities as well as supporting functions within the municipality that allow for services to be rendered efficiently. The report also presents an account of the performance of the municipality with regard to the annual performance targets set in the 2016/2017 Service Delivery and Budget Implementation Plan (SDBIP). In the main these service delivery targets as well as development targets that are articulated through the SDBIP and other supporting functions are based on the strategic objectives set in the approved Integrated Development Plan (IDP). As a result this annual report provides all key stakeholders with a tool to assess the overall performance of the municipality.

The Municipal Council will be able to hold the Executive political leadership accountable, while the Executive political leadership will also be holding the municipal top management accountable. Similarly it presents the Municipal Council with the opportunity to give feedback to the community on progress made towards realizing the community aspirations expressed in the IDP.

The IDP of the municipality was developed through community engagements with the aim of addressing community needs. The municipality conducted an extensive public participation process which comprised of community meetings, zonal meetings, stakeholder's meetings, Mayoral Imbizos, Speaker's Outreach programmes, business and commercial stakeholders' engagements as well as traditional leaders engagements, in an endeavour to deepen participatory democracy and strategic alignment with Provincial Growth and Development Strategy. The municipality through its current leadership have developed a five year IDP for 2017-2022 which gets reviewed on an annual basis.

The report demonstrates that during the year under-review the municipality continued to strive towards realising its vision. The report provides a comprehensive yet honest account

of performance of the municipality, highlighting key achievements as well as rationale for the under-achievement in instances where there has been under-performance by the municipality. The strategic thrust of the municipal IDP is based on the aspirations of the Provincial Growth and Development Strategy.

Central to the goals of the Provincial Growth and Development Strategy is the need to accelerate the households' access to basic services. As the Provincial Government has identified the provision of clean water services to all households as the number one priority, the municipality has heeded the call by similarly prioritizing the building of bulk infrastructure as the number one priority for the municipality. In this regard the municipality opted to commence by building bulk infrastructure over the medium term period which will eventually be followed by household's reticulation infrastructure.

During the year under review, the municipality obtained an unqualified audit from the Auditor General. In this regard we note with concern that the clean audit remain elusive, however we remain determined and focus towards achieving that milestone in the nearest future. The municipality has set for itself a clean audit roadmap which serves a beacon call that guides all the departments towards reaching the goal of a clean audit which will be revised in the next financial year to also address 2016/17 audit findings.

As we report on the financial year 2016/2017, the long-term aspiration is that the municipality must be afforded a metro status in the nearest future. The municipality is engaged in vigorously strategic planning process that will culminate in the adoption of a vision 2030 document. Central to the future outlook is the need to improve our forward planning for our capital projects in particular. The year under-review shows that the municipality has laid solid foundation for continuous performance improvement across all key functions which serve as a basis for further improvement in the next financial years.

The Municipality remains committed to continue working together with its communities and stakeholders to improve the lives of the people of Mbombela as they have entrusted us with this mandate.

Together let us continue to service the communities of Mbombela!



CLLR S P MATHONSI
EXECUTIVE MAYOR

1.2 Municipal Manager's Foreword



performance area against the budget. The annual report also includes the 2016/17 audited financial statements and the Auditor General's report.

In terms of Section 121 of Local Government: Municipal Finance Management Act (32 of 2000), the municipality is required to compile an annual report. The annual report highlights planned targets and actual performance of the municipality in line with the Service Delivery and Budget Implementation Plan (SDBIP) of the 2016/2017 financial year. It also provides a record of the activities of the municipality during the financial year under review. The SDBIP is the annual performance plan of the municipality which provides quarterly performance targets and key performance indicators per key municipal

The Constitution of the Republic of South Africa, 1996 (S152) states that:

“(1) the objects of local government are –

- a. To provide democratic and accountable government for local communities;
- b. To ensure the provision of services to the communities in a sustainable manner;
- c. To promote social and economic development
- d. To promote a safe and healthy environment
- e. To encourage the involvement of communities and community organisations in the matters of local government”

Sub-section (2) states that “A municipality must strive, within its financial and administrative capacity, to achieve the objects set out in subsection (1)”.

Council is bestowed with the responsibility to oversee the performance of the municipality, as required by the Constitution, the Municipal Finance Management Act (MFMA) and Municipal Systems Act (MSA).

In terms of the Municipal Financial Management Act 56 of 2003, the Accounting Officer is required to report to the Executive Mayor at the end of each quarter on the Municipality's

performance in implementing the Service Delivery Budget Implementation Plan (SDBIP). In accordance with this legislative requirement, this Annual Report covering the period 1 July 2016 to 30 June 2017 has been prepared in order to highlight the extent to which the SDBP was implemented. It is necessary to indicate that what was planned during the reporting period emanates from the strategic objectives with specified performance indicators and targets.

This Annual Report presents a consolidated report on progress made by municipal departments towards achieving the service delivery targets set according to the seven Strategic Focus Areas as stipulated in our 2016/2017 Integrated Development Plan (IDP) and the 2016/2017 Service Delivery and Budget Implementation Plan.

The municipality through its IDP process seeks to ensure integration between municipal planned interventions with the planning efforts of national and provincial spheres of government as well as within various sectors of government. Programmes from sector departments and other governmental parastatals such as Eskom were therefore considered during the finalisation of its IDP projects.

The City of Mbombela has achieved an unqualified audit opinion with matters for the reported period ended 30 June 2017. This is after the amalgamation of the two disestablished Umjindi and Mbombela local municipalities. This was yet another inspiring period given the persistence hostile cash flow and financial performance challenges experienced during the financial year. A remedial action plan to address the audit findings has been developed for implementation. Progress on the remedial action plan will be monitored through the oversight and governance structures including the audit committee and Council.

The municipality has during the financial year implemented a number of prudent financial management interventions to ensure financial sustainability is achieved and will continue implementing those measures. Council has at its meeting held 31 May 2017 under item A(4) approved the revenue enhancement strategy for implementation that will ensure that financial sustainability and liquidity management objectives of the City are improved.

The total revenue recognised for the period amounted to R2,587 and the total operating expenditure amounted to R2,627 billion. The City has realised a 91 per cent collection rate as at 30 June 2017. The total amount invested in service delivery projects through the capital budget implementation amounted to R612 million for the 2016/2017 financial year.

This evidences the implementation of the developmental priorities of the municipality in line with the Integrated Development Plan.

The liquidity position of the municipality remains a huge area of concern as the current ratio reflects a 0.33:1 ratio and a cash coverage ratio of less than one month. Council has at its meeting approved the liquidity policy at its meeting held 31 May 2017 under item A (3) (c) for implementation. The liquidity policy seeks to give guidance for maintaining sufficient liquidity intensities to meet the liabilities when due under both normal and stressed conditions without incurring any prohibited expenditure. The City has taken a resolution to develop and implement a turnaround strategy which includes stringent cost curtailment measures in order to build cash backed reserves to be able to meet its financial and liquidity management objectives.

The former Mbombela and Umjindi Municipalities were amalgamated to form the City of Mbombela and all employees were placed accordingly. A new organizational structure was approved and the City of Mbombela was organized to serve the broader communities in four regions including the head office component. All existing section 56/57 Managers were transferred to the City of Mbombela. The positions of the Chief Financial Officer and the Municipal Manager became vacant in June 2017 after the resignation of the two incumbents. The four Regional Service Centres are managed by a dedicated section 56 Manager.

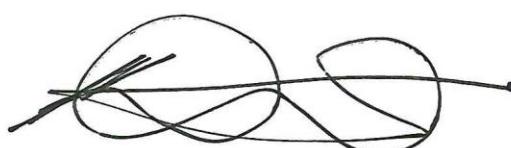
During the 2016/2017 financial year, the Municipality implemented an enterprise-wide risk management system as required by Municipal Finance Management Act (Act 56 of 2000). The identification, categorization, rating and mitigation of all risks, were conducted in terms of a Risk Management Framework that is in accordance with the Public Sector Risk Management Framework (National Treasury) as well as the ISO 91 000 standard and the King Three Report.

To manage its risks, the municipality appointed risk owners as well as action owners and risk champions in all departments. All role players received the appropriate training to capacitate them to mitigate the risks. During the reporting period, the job descriptions, performance contracts of General Managers as well as the System of Delegations, were amended to include specific responsibilities and powers with regards to risk management. The Performance Measurement System was also amended to include progress made with the mitigation of risks on a quarterly basis.

To facilitate the process of risk management and trying to embed risk management into the culture of the municipality, an IT software system was acquired. In terms of the System of Delegations, all Members of the Mayoral Committee as well as the Section 79 Oversight Committees, are responsible to monitor and evaluate progress pertaining to the mitigation of risks.

Risk Management is a standing item on the weekly General Manager Forum meetings where the mitigation of the following five strategic risks are closely monitored and evaluated.

NO	STRATEGIC RISK	MITIGATION STRATEGIES
1	Inadequate cash flow	Implementation of the Revenue enhancement strategy. Implementation of a new collection automated system.
2	Inadequate return of resources	Updating and enforcement of the internal control framework. Establishment of a Monitoring and Evaluation Unit as well as Contract Management Unit. Strengthening of the Internal Audit Unit.
3	Uncontrolled urbanization	Discussion, liaison and cooperation between Local Tribal authorities, and the Provincial Government. Review of planning processes. By law enforcement.
4	High Unemployment	Implementation of the Local Economic Development Strategy.
5	Insufficient raw water supply	Implementation of water usage restricting's. Plans in process to build an additional dam.



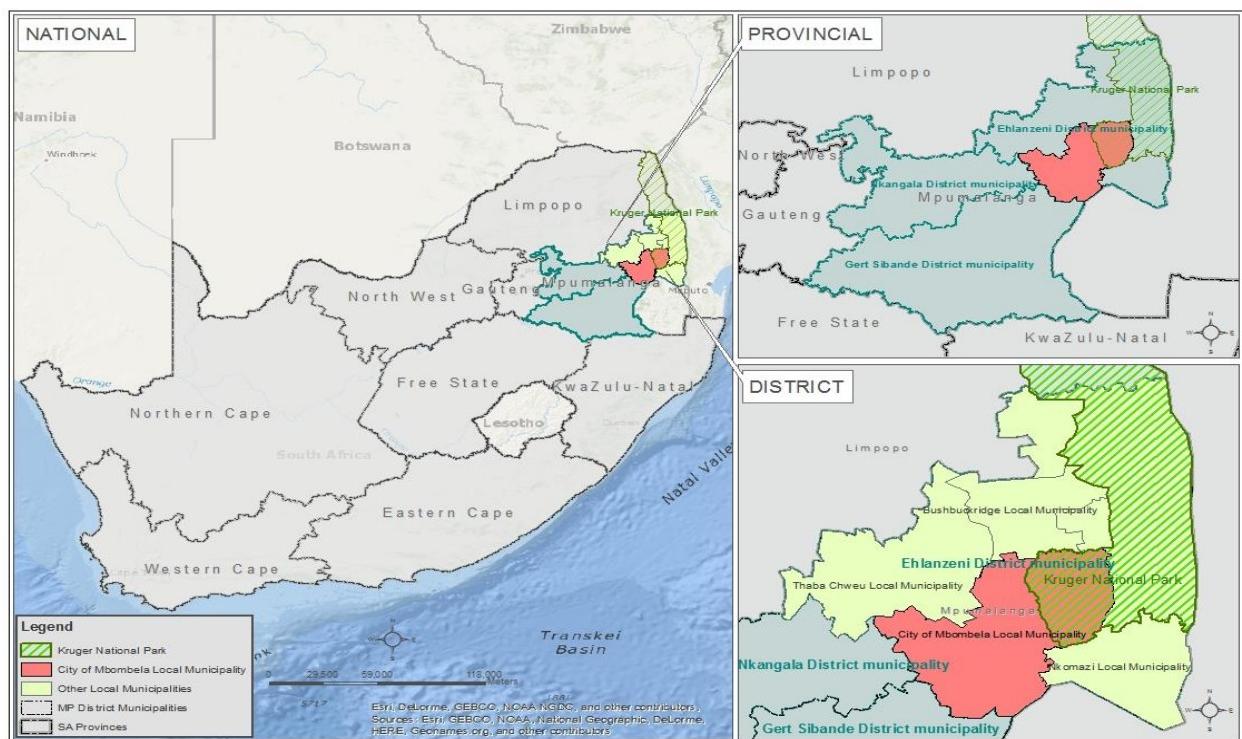
1.3 Municipal Overview

1.3.1 Geographical Location

The City of Mbombela is one of the [municipalities](#) of [South Africa](#), located in the [Ehlanzeni District Municipality](#), [Mpumalanga](#) province. The City of Mbombela was established in terms of Section 12 of the Municipal System Act (2000) by the MEC for Cooperative Governance and Traditional Affairs in Mpumalanga subsequent to the disestablishment of two municipalities, Mbombela Local Municipality (MP322) and uMjindi Local Municipality (323)

The municipality is situated in the North Eastern part of South Africa within the Lowveld sub-region of the Mpumalanga Province. The geographic coordinates of the Municipality are 25.4° South and 30.9° East. Figure 2.3.1 is a map showing the location of the Municipality's area of jurisdiction.

Figure 2.3.1: National, Provincial and District Context



Source: Mbombela GIS, 2017

The metropolitan areas of Pretoria and Johannesburg are located 320 km inland, with the border post at Komatiport approximately 120 km to the east and the Mozambican coastline being around 200 km away and 55 km from the famous Kruger National Park. The Municipality is also bordered by Swaziland, situated 167km from the CBD, and 127km from Barberton. Urban areas in the municipality include Mbombela, White River, Hazyview and Umjindi as well as former homelands towns such as Kabokweni, Kanyamazane and Matsulu.

The municipality is the capital city of the Mpumalanga province and the head office of the provincial government (legislature). The location and its status of a capital city provide the municipality with a competitive advantage as a corridor for growth and development. The City has two airports, Kruger Mpumalanga International Airport to the north east, and the general aviation Mbombela Airport to the

south west. Kruger Mpumalanga is used for scheduled flights to Johannesburg and, less frequently, to Cape Town and other cities.

It is also a home of the Government Research Institute for Citrus and Subtropical Fruits, and the Lowveld Botanical Gardens. The City of Mbombela is a major stopover point for tourists travelling to the Kruger National Park and to Mozambique.

Municipal Regions and Wards

The municipality is made up of 45 wards and 4 regions as per the new municipal demarcation and section 12 of the notice by the MEC for Cooperative Governance and Traditional Affairs. The regions include Central region, Eastern region, Northern region and Southern region. Table 2.3.2 below show the municipal regions and the respective wards.

Table 2.3.2: Municipal Regions and wards

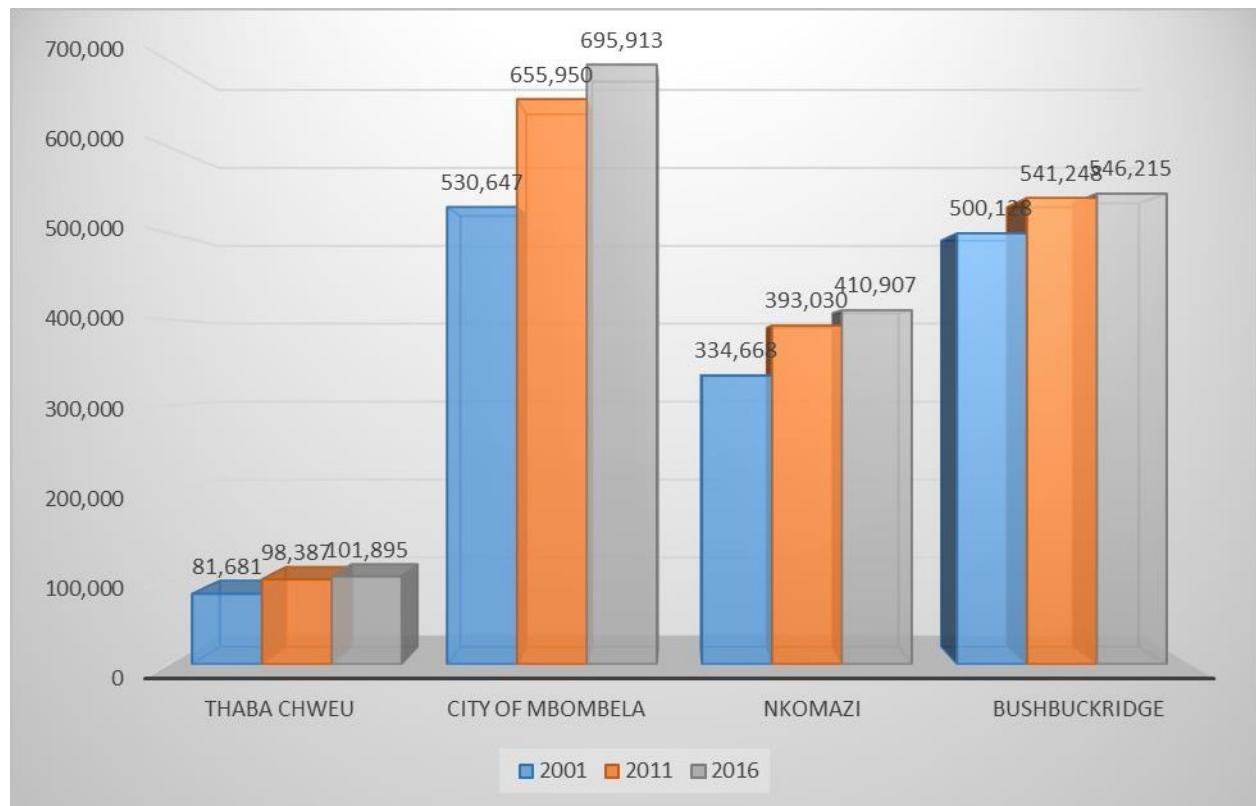
No.	Municipal Regions	Wards
1.	Central Region (Mbombela, Kanyamazane, Piernaar, Daantjie, Nelsville, Mataffin, Elandshoek)	12,14,15,16,17, 2, 4, 22, 23, 24, 26, 29 & 40, 18, 19, 20, 21,
2.	Northern Region (Hazyview)	1, 3, 5, 6, 7, 8, 9, 25, 37 & 39
3.	Eastern Region (Nsikazi, White river, Kabokweni, Malekutu)	10,11,30, 38, 31,32,33, 34, 35,36
4.	Southern Region (Barberton, Lows creek, Matsulu)	13, 27, 28, 41, 42, 43, 44 & 45

Source: IDP Unit, 2016

1.3.2 Population size

According to Community Survey 2016 results which is based on the 2016 municipal boundaries, the Mbombela municipal area had a total population of 695 913. This population constitutes 39.6% of the entire population of Ehlanzeni District. Hence, the municipal area of Mbombela is the most populous within the Ehlanzeni District (Community Survey, 2016). With regards to the municipal area's population trends over the past 15 years, the Municipality has been one of the fastest growing municipalities in the district (refer to figure 2.3.3.1 below).

Figure 2.3.3.1: The population distribution in Ehlanzeni district area (2001 – 2016)



Source: Stats SA, Census, 2001, 2011 and CS 2016

The Mbombela municipal area has recorded annual population growth rate 2.3% per annum between 2001 and 2011 (Stats SA, 2011). Between 2011 and 2016, however, an annual population growth rate of 1.2% was observed within the municipal area. These trends can be attributed to the municipality's economic potential to attract people from other countries, provinces and municipalities.

According to Community Survey 2016, the municipal area of Mbombela is a destination for about 35.6% of all immigrants (both from other provinces and other countries) coming into Ehlanzeni District. The City of Mbombela is currently in a process of developing a strategy to manage the challenges of migration.

1.3.3 Age and sex composition

Age and sex are the most basic characteristics of a population. Every population has a different age and sex composition. The number and proportion of males and females in each age group have considerable impact on the population's social and economic situation, both present and future (refer to table 2.3.3.2 below).

Table 2.3.3.2: Age and sex composition

Description		Years		
		2001	2011	2016
Age	0-14	33.81%	29.58%	32.20%
	15-34 (Youth)	39.03%	40.05%	37.30%
	15-64 (Economically active)	62.25%	66.20%	63.80%
	65+ (Elderly)	3.93%	4.15%	3.90%
Gender	Female	51.75%	51.08%	51%
	Male	48.24%	48.91%	49%
Sex ratio		93	96	98

Source: Stats SA Census Surveys 2001, 2011 and CS 2016

The above table shows that the municipality has a relatively young population. This is indicated by the 37.3% compared with the 32.2% of children between the ages of 0-14 as well as the mere 3.9% of the elderly people. It is however evident from the above that there was a decline in the percentage contribution to the total population of the youth, from 40% in 2011 to 37.3% in 2016. An increase in the percentage contribution to the total population of children aged 0-14 was however witnessed, from 29.5 in 2011 to 32.2% in 2016. This presents challenges regarding services like the provision of early childhood development centres, education, sports development facilities. This was also confirmed during the IDP community consultative meetings where the majority of wards raised the need for early childhood centres, schools and sport fields.

The economically active group presents the youth together with adults above 34 years. This component indicates that there biggest chunk of the population are able to work and can take up a job at any time. This is positive sign especially towards the economic growth of the Mbombela municipal area. The downside of it is that it has declined from 66.2% in 2011 to 63.8 in 2016. This could either mean that people are losing hope to seek jobs or that many people die under these age groups.

With regard to sex composition, the Mbombela municipal area has seen females being in majority since Census 1996 to the most recent Community Survey conducted in 2016. This has also been quantified by the sex ratios. There have been fluctuations in sex ration between the three Censuses. In 2001, the sex ratio was 93 males for every 100 females. This increased to 96 in 2011 and then further up to 98 males per 100 females in 2016.

1.3.4 Racial profile

The Community Survey 2016 conducted by Statistics South Africa (StatsSA) indicates that the Mbombela municipal area is dominated by people of African (Black) descent most of whom speak the SiSwati language. The total contribution of the African group has increased between 2011 and 2016, from 89.1% to 95.9%. White people are the second dominant population group with 2.6% contribution to the total population whilst the Asian group remained the least contributing group on 0.4%. This information is indicated on the table below and is based on the 2016 municipal boundaries.

Table 2.3.3.3: Racial profile

RACE/POPULATION GROUP	2016	
	NUMBER OF PEOPLE	PERCENTAGE (%)
Blacks (African)	667 827	95.96%
Whites	18 695	2.69%
Coloureds	6 535	0.94%
Asian	2 855	0.41%

Source: Stats SA, Community Survey 2016

Linked to the race, the dominating language is SiSwati, followed by Xitsonga and Afrikaans respectively. The dominance of African people who are speaking SiSwati forced the municipality to approve a language policy which gave provision for the translation of key strategic documents such as IDP, Budget and Service Delivery and Budget Implementation Plan (SDBIP) into SiSwati. The primary objective of this was to ensure that the majority of the people understand the core business of the Municipality through their own language.

1.3.5 Social Analysis

1.3.5.1 Disability

Disability is a physical or mental condition that limits a person's movements, senses or activities. In development planning, it is also used as a tool to measure the health of the population as well as the ability of persons to execute certain tasks or activities. A healthy population or less disabled population may thus mean more prospects of economic growth and least financial resources on mitigating the effects of disability. Likewise an unhealthy population or population dominated by people with physical impairments will mean that the government must channel more financial resources in addressing these problems.

Table 2.3.4.1: Persons living with disability

Type of disability	No difficulty	Some difficulty	A lot of difficulty	Cannot do at all	Do not know	Not applicable	Unspecified
Sight	560574	38180	9927	779	278	253	85923
Hearing	588623	16209	4096	554	256	253	85923
Communicating	598334	8478	2183	695	48	253	85923
Walking	576028	22397	9785	1418	109	253	85923
Remembering	589110	15918	4096	434	180	253	85923
Self-care	592328	12458	3577	1212	60	355	85923

Source: Stats SA, Community Survey 2016

In terms of the latest statistics from the Community Survey 2016, the highest form of disability within the Mbombela municipal area was on people who have walking difficulty followed by people who have sight problems. These numbers stood at 1 418 and 779 respectively. According to this Survey, there were also 1 212 people who indicated that they were unable to take care of themselves due to one or more forms of physical impairment. The City of Mbombela under the Transversal Services unit has programmes aimed at assisting and empowering special targeted groups including people with disability.

1.3.5.2 HIV prevalence

There is currently no official statistics on HIV prevalence rate for the City of Mbombela as per the 2016 municipal boundaries. As a result, each former local municipality (Mbombela and Umjindi) will be reflected individually in terms of the status on HIV prevalence. This will be compared with other local municipalities within the Mpumalanga Province. This is indicated in the table below.

Table 2.3.4.2: HIV prevalence rate (2012 - 2013)

Rank	Local Municipal Area	HIV Prevalence rate 2012	HIV prevalence rate 2013
1.	Thembisile Hani	26.4%	30.2%
2.	Dr JS Moroka	25.7%	30.4%
3.	Bushbuckridge	29.9%	31.0%
4.	Govan Mbeki	37.0%	33.1%
5.	Chief Albert Luthuli	42.4%	34.6%
6.	Lekwa	47.4%	35.0%
7.	Thaba Chweu	32.2%	36.4%
8.	Victor Khanye	30.0%	38.9%
9.	Nkomazi	42.7%	40.5%
10.	Emalahleni	40.6%	40.7%
11.	Dr Pixley Ka Isaka Seme	48.0%	42.4%
12.	Mbombela	36.0%	42.7%
13.	Steve Tshwete	52.3%	43.1%
14.	Emakhazeni	40.0%	45.5%
15.	Msukaligwa	34.4%	46.5%
16.	Umjindi	43.6%	48.3%

Rank	Local Municipal Area	HIV Prevalence rate 2012	HIV prevalence rate 2013
17.	Mkhondo	42.3%	50.0%
18.	Dipaleseng	31.0%	58.8%

Source: **Socio-Economic Review and Outlook (SERO) Report 2016**

The above table provides the latest available statistics on the HIV prevalence in the Mpumalanga Province. The results are published by the Mpumalanga Department of Finance, Economic Development and Tourism through its Socio-Economic Review and Outlook (SERO) reports published from time to time. According to the latest SERO Report, the HIV prevalence rate of the former Umjindi municipal area has increased from 43.6% in 2012 to 48.3% in 2013 thereby indicating a 4.7% increase. The former municipal area of Umjindi also ranked the third highest in terms of HIV prevalence rate amongst all the local municipalities in the Province.

The former Mbombela municipal area also saw an increase of 6.7% in the HIV prevalence rate – from 36% in 2012 to 42.7% in 2013. The former municipal area of Mbombela has however ranked the seventh highest amongst all local municipalities situated in the Mpumalanga Province. These increases on the prevalence rate on HIV do not paint a very good picture and requires the City of Mbombela to work in concert with the Departments of Health (National and Provincial), interest groups as well as other NGOs with a view to intensifying intervention programmes such as awareness campaigns, voluntary testing, distribution of condoms, etc. The City of Mbombela through its Transversal Unit has participated and contributed in all HIV/AIDS programmes and has established ward AIDS councils in order to deal with HIV/AIDS related matters.

1.3.5.3 Public Health Facilities

Various health facilities exist within the municipal area and the status quo thereof indicated in the table below:

Table 2.3.4.3: **Public health facilities**

Accredited clinic	Linked clinic	Public Hospitals
Kanyamazane CHC	Zwelisha, Msogwaba, Eziweni, Sibuyile, Tekwane, Luphisi, Mpakeni	Rob Ferreira Hospital; Barberton Provincial Hospital; Themba Hospital; Barberton TB Hospital, Bongani TB Hospital
Phola Nsikazi CHC	Hazyview, Skukuza, Mthimba, Sandriver, Shabalala, Manzini, Legogote and Jerusalem	
Matsulu CHC	Nkwalini and Kaapmuiden	
Mbombela CHC	Mbombela mobiles and Valencia/Nelsville	
Bhuga CHC	Clau-clau, Khumbula, Makoko, Mjejane	
Kabokweni CHC	Mbonisweni, Dwaleni, Gutshwa, Kabokweni/ White River Mobiles	
M'Africa Clinic	Kathyville; Barberton Town; Boulders Clinic; Louisville Clinic; Lows creek Clinic; Renee Clinic; Glenthorpe; Kaapsehoop Clinic	

Source: **Department of Health, Ehlanzeni District Office, 2015**

According to the Department of Health, there were 7 accredited clinics as well as 33 linked clinics within the municipal area of Mbombela. There were however 5 public hospitals within the Mbombela

municipal area. When taking into consideration the total population of Mbombela, there exist a huge backlog in the provision of clinics within the municipal area. There is a need to increase access and upgrading of existing clinics and this has been confirmed by various wards during the IDP community consultations. Furthermore, there are only 3 private hospitals within the municipal area which are Nelspruit Medi-Clinic, Barberton Medi-Clinic, and Kyaat Private Hospital.

1.3.5.4 Employment profile

Employment is one of the indicators that could tell of the municipality's ability to generate revenue. This is so because when people are employed, they are likely to be able to pay for the services they receive from the Municipality. Likewise, when people are unemployed they are less likely to afford to pay for the services rendered to them by the Municipality. Currently, there are no official statistics on labour indicators for the newly formed City of Mbombela which is made up of the former Umjindi Local Municipality (MP323) and Mbombela Local Municipality (MP322). Therefore the trends on unemployment, depicted below, are presented for each of the former local municipality

Table 2.3.4.4: Unemployment rates from 2001 to 2015

Unemployment rate (strict definition)	Age	Former Mbombela		Former Umjindi	
		Years	%	Years	%
General (15-65 years)		2001	37.7	2001	26.4
		2011	28.1	2011	26.9
		2015	27.6	2015	24.1

Source: Stats SA Census 2001, 2011 and HIS Global Insight 2015

Although the unemployment rate for the former Umjindi municipal area has increased by 0.5% between 2001 and 2011, it has however declined to 24.1% in 2015 indicating a reduction of 2.8%. The former Mbombela municipal area has been showing a decline in the unemployment rate, from 37.7% in 2001 to 28.1% in 2011 implying a reduction of 9.6%. By 2015, the unemployment rate for the former Mbombela municipal area stood at 27.6%, indicating a 0.5% reduction.

Even though the unemployment rate for the two former municipal areas remain high, the implementation of the Local Economic Development (LED) programmes, Extended Public Works Programme (EPWP) and Community Works Programme (CWP) helped in creating job opportunities to the communities including women, youth and people with disability. Moreover, it is anticipated that the LED strategy, Spatial Development Framework (SDF), and the Vision 2030 Strategy will also assist in identifying key areas that the City of Mbombela can invest in to create more job opportunities.

1.3.5.5 Poverty rate

Poverty is one of the elements used to measure the level of development within a country. It can be described as a lack of income and productive resources to ensure sustainable livelihoods such as lack or limited access to food, safe drinking water, sanitation facilities, health, shelter, education and information. The United Nations describes people who are affected by poverty as those who live below \$1 a day. In terms of its Millennium Development Goals, the United Nations has set a target of halving the proportion of people whose income is less than \$1 a day by 2015. In as far as poverty is concerned, the only latest statistical data available is for the two former local municipal areas of Umjindi and Mbombela. There is currently no information on the poverty rate for the newly

demarcated area of the City of Mbombela. This information is presented below as per the latest SERO Report.

Table 2.3.4.5: Poverty rate (2011 - 2015)

Rank	Local Municipal Area	Poverty rate (lower bound) 2011	Poverty rate (lower bound) 2015	Poverty numbers (lower bound) 2015
1.	Emalahleni	19.6%	21.0%	90 494
2.	Steve Tshwete	18.9%	21.0%	53 567
3.	Thaba Chweu	21.2%	21.5%	21 792
4.	Govan Mbeki	24.3%	26.1%	81 481
5.	Emakhazeni	27.9%	27.8%	13 240
6.	Umjindi	28.3%	28.9%	20 375
7.	Dipaleseng	30.0%	29.3%	12 650
8.	Lekwa	28.6%	30.7%	35 801
9.	Mbombela	33.3%	32.6%	202 433
10.	Msukaligwa	30.4%	32.7%	50 964
11.	Victor Khanye	30.1%	34.1%	27 524
12.	Thembisile Hani	44.4%	40.2%	133 169
13.	Chief Albert Luthuli	46.7%	40.8%	74 944
14.	Dr JS Moroka	48.4%	44.8%	112 258
15.	Dr Pixley Ka Isaka Seme	46.3%	47.0%	38 723
16.	Bushbuckridge	53.9%	47.7%	266 620
17.	Nkomazi	50.2%	48.1%	199 827
18.	Mkhondo	50.2%	51.0%	92 577

Source: Socio-Economic Review and Outlook (SERO) Report 2016

According to the SERO Report, the former Umjindi municipal area experienced a poverty rate (lower bound) increase of 0.6% between 2011 and 2015. The total number of people in lower bound poverty stood at 20 375. Overall, the municipal area of the former Umjindi ranked sixth lowest in terms of lower bound poverty rate compared to all the other Mpumalanga local municipalities.

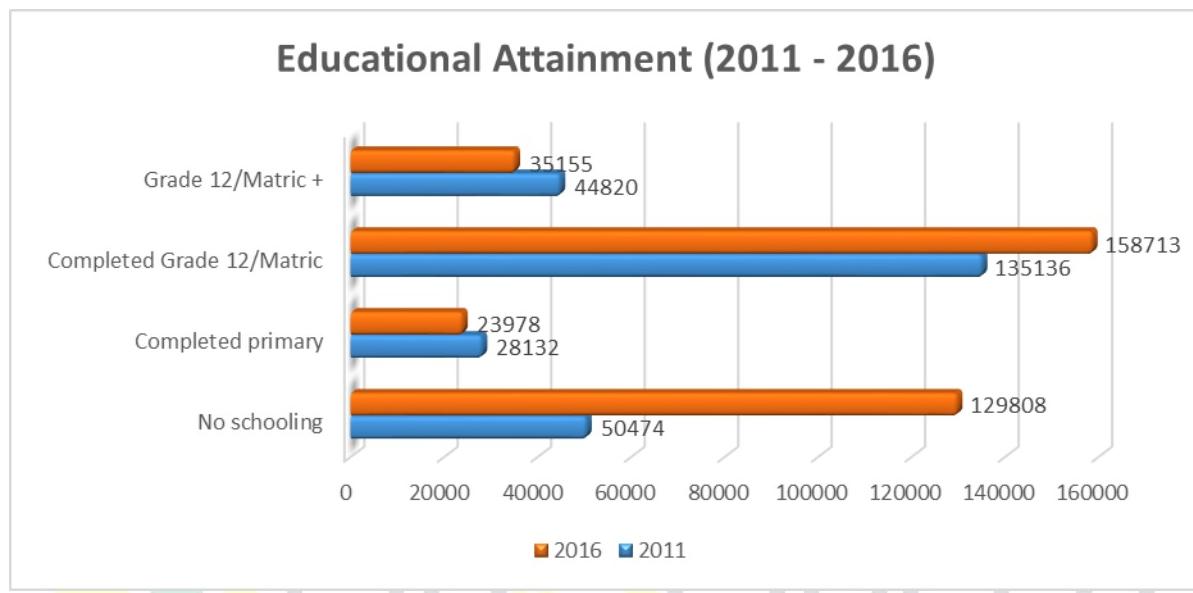
The former Mbombela municipal area, on the other hand, has achieved a decline of 0.7% in the lower bound poverty rate between 2011 and 2015. However, the municipal area of the former Mbombela ranked the ninth lowest in terms of poverty rate and had 202 433 people living in lower bound poverty. The City of Mbombela has in the past devised various means to curb poverty within the municipal area such as job creation, support for small agricultural businesses, and implementation of Food for Waste programmes. It should be noted that there is a need to intensify the poverty alleviation programmes by the City of Mbombela together with other external stakeholders. The Municipality also approves an indigent policy and register annually with a view to assist poor households who cannot afford to pay for basic services at current normal rates.

1.3.5.6 Education attainment

Education is one of the indicators that depict the level of development as well as potential for one to have better chances of employment; hence the contribution to personal capacity as well as development of the Municipality.

In terms of the latest StatsSA Community Survey 2016, there was a significant improvement in the number of persons who have completed their Grade 12/Matric within the Mbombela municipal area. In 2011, there were 135 136 people who completed their Grade 12 and this increased to 158 713 in 2016, recording a 17% increase. It is nonetheless imperative to note that during the same period, a dramatic increase was recorded in the number of people who have not been to school coupled with a decrease in the number of people with post matric qualifications. The results thereof indicated an increase by 79 334 in the number of people with no schooling and a 27.4% decline in the number of people in possession of post matric qualifications as depicted in the figure below (*NB: 2011 results based on a combined 2011 municipal boundaries for the former Umjindi and Mbombela Municipalities whilst 2016 results based on 2016 municipal boundary for the newly formed City of Mbombela*).

Figure 2.3.4.6: **Level of education**



Source: **Stats SA Census 2011 & Community Survey 2016**

Even though the Provincial Department of Education has introduced ABET programme to address the past injustices where the past system made it difficult for the majority to attend school, it appears that there is a need to intensify this programme particularly in rural areas where such service is in short supply. The City of Mbombela and Mpumalanga Provincial Government have been offering bursaries to learners who have passed matric with a view to encourage learners who come from poor families to further their studies.

Poverty and lack of access to educational facilities are major contributing factors for no schooling as well as the low level of tertiary education. This was confirmed during the IDP consultative meetings when most wards raised the need for additional schools (primary and secondary) and tertiary institutions to increase access to education within the municipal area. The establishment of the University of Mpumalanga in the province specifically within the municipal area will encourage those that have passed matric to further their studies.

According to the Mpumalanga Department of Education, the municipality has 151 public primary schools, 59 public secondary schools, 25 independent (private) schools and 5 tertiary institutions. Comparing the number of educational facilities and the total population of 695 913, it is clear that there is a need for more schools within the Mbombela municipal area. The municipality must allocate land for educational purposes in terms of its Spatial Development Framework and that should also be linked to the infrastructure master plans for water, roads and electricity.

2. CHAPTER 2: GOVERNANCE

2.1 Governance Structures

Local government function in a highly sophisticated environment. To be successful in its endeavours to render quality, affordable and sustainable municipal services, it needs to be structured in the best possible way to facilitate effective governance as well as to ensure proper oversight and to measure performance. MLM has approved the governance model which separates the Legislative and Executive functions.

2.1.1 Political Governance Structures

2.1.1.1 Legislative

This component consists of the following:

- Council (including the Traditional Leaders)
- The Speaker
- The Chief Whip
- Chair of Chairs
- Section 79 Oversight Committees: Financial Management Committee, Corporate Services Committee, Public Works and Transport Committee, City Planning and Rural Development Committee, Energy Committee, Public Safety Committee, Community Services Committee, Regional Centre Co-ordination Committee, Strategic Management Services Committee and Water and Sanitation Committee,
- Section 79 Standing Committees: Programming Committee; Rules & Ethics Committee; Party Whips Forum, Chairpersons Committee, Public Participation and Petitions Committee; Municipal Public Accounts Committee (MPAC),
- Ward Committees.

2.1.1.2 Executive

This component consists of the following:

- Executive Mayor (Head of the Executive)
- Members of the Mayoral Committee with delegated powers.
- Mayoral Committee (MMC) comprising of MMC for Public Works and Transport, MMC for Corporate Services, MMC for City Planning and Development , MMC for

Energy, MMC for Water and Sanitation, MMC for Public Safety, MMC for Community Services, MMC for LED Regional Centre Coordination, MMC for Strategic Support, and MMC for Financial Management.

- Administration with the Municipal Manager as Head. This incumbent also serves as the Accounting Officer of the municipality.

2.1.2 Administrative Governance Structures

There is a significant relationship between an IDP and the institutional arrangement. The municipality cannot implement its IDP effectively without proper organizational structure. As a result, the municipality has amended its organizational structure on 29 September 2015.

Table below indicates the top layer of the organizational structure.

2.2 Intergovernmental Relations

In order to strengthen intergovernmental relations, the municipality has established Intergovernmental (IGR) unit. Its primary objective is to facilitate intergovernmental dialogue with relevant provincial and national government. Moreover, the unit also creates a conducive working relationship of the municipality with the district municipalities and other stakeholders.

Provincial Intergovernmental Structures

The Municipality participates in the following structures:

- Premier's Coordinating Forum (PCF) attended by the Executive Mayor and Technical PCF attended by the Municipal Manager.
- The Provincial International Affairs Coordinating Committee attended by the IGR&IR Manager.
- SALGA Provincial Municipal Manager's Forum

District Intergovernmental Structures

The District Municipality coordinate the following forums for the different Political and Administrative offices:

- Executive Mayor's Forum

- Municipal Manager's Forum
- Ehlanzeni District Municipality Governance and Administration Cluster
- Ehlanzeni District Municipality Social Cluster
- Ehlanzeni District Municipality IDP Rep Forum
- Ehlanzeni District Municipality Economic Growth and Infrastructure Development Cluster
- Ehlanzeni District Municipality Communicator's Forum

2.3 Public Accountability and Public Participation

In terms of the strategy (public participation), the participation of communities is driven through a Ward Committee System managed by the Public Participation Unit located in the Office of the Speaker and the IDP Representative Forum arranged through the Office of the Executive Mayor. Moreover, the municipality's public participation process comprises of community meetings, zonal meetings, Mayoral Imbizo(s), Speakers Outreach programmes, business and commercial stakeholders engagements and traditional leaders engagements.

2.3.1 Public Meetings

The community consultative meetings took place from 22 August to 19 October 2015. The aim of the meetings was to report on the municipality performance and achievements of the previous financial years (2013/2014 and 2014/2015) and also to give the communities an opportunity to raise and confirm priority issues that needed to be addressed in the 2016-2017 financial year.

The municipality also communicate to the community using print and broadcast media i.e. newspapers and radio. Ward Councillors hold quarterly meetings within their wards to report back on service delivery issues and feedback on issues raised by their communities.

2.3.2 IDP Participation

It is required in terms of chapter 4 of the Municipal Systems Act, 2000 that municipalities must develop a culture of municipal governance that complements formal representative government with a system of participatory governance, and must encourage, and create conditions for the local community to participate in the affairs of the municipality including the preparation, implementation and review of its IDP. In compliance to the Act, the municipality

has adopted the public participation strategy which reflects ways in which the municipality conducts stakeholder engagement and consultation in the IDP process.

In terms of the strategy (public participation), the participation of communities is driven through a Ward Committee System managed by the Public Participation Unit located in the Office of the Speaker and the IDP Representative Forum arranged through the Office of the Executive Mayor.

Moreover, the municipality's public participation process comprises of community meetings, zonal meetings, Mayoral Imbizo(s), Speakers Outreach programmes, business and commercial stakeholders engagements and traditional leaders engagements.

The IDP process followed

On 18 and 21 August 2015, Mbombela and Umjindi Councils approved the process plans which outlined the process followed in the development of the 2016-2017 IDP. The process plans outlined the legislative framework, organizational structures responsible for the management of the IDP processes, mechanisms of community participation and the key deadlines of the activities that are led to the approval of the IDP Review.

It is important to note that the process plans were prepared in compliance with the Ehlanzeni District Municipality IDP Framework Plan as required in terms of section 27 of the Municipal Systems Act, No. 32 of 2000.

The process plans were presented to Ward Councillors, Ward Committees and Community Development Workers (CDW) for notification and information purposes.

The approved process plans were circulated to the sector departments, advertised on Barberton times and Lowvelder newspaper dated 12 and 27 August 2015 respectively and placed on the municipal website.

The approved process plans were also submitted to the Ehlanzeni district municipality and the Department of Cooperative Government and Traditional Affairs as required by the legislation.

IDP Alignment with strategic imperatives and priorities

National Priorities (Manifesto)	Outcomes	National Planning Plan Priorities	Provincial Priorities	District Priorities	10 Point Plan	Community Priorities	IDP Priorities
Creation of decent work & sustainable livelihoods	Decent employment through inclusive economic growth	Job creation	Economic growth & job creation	LED	LED	LED	Economic development
	An efficient , competitive and responsive economic infrastructure network		Energy & mining				
Education	Quality Basic Education	Education & training	Skills development	Institutional transformation & development	Capacity building	Education	Good governance & public participation
	Skilled & capable workforce to support an inclusive growth path						
Health	A long and healthy life for all South Africans	Provide quality health care	Environment			Health	Community development & good governance & public participation (transversal services)
						Waste management	Waste management & greening
Rural development , food security & land reform	Vibrant, equitable, sustainable rural communities contributing towards food security for all.	Expand infrastructure	Strategic infrastructure	Basic water & infrastructure development	Improve municipal basic services	Water	Water supply
	Sustainable human settlements & improved quality of life	Transform urban & rural space	Agriculture			Roads & storm water	Roads infrastructure development & storm water
						Electricity	Electrical supply & energy management

National Priorities (Manifesto)	Outcomes	National Planning Plan Priorities	Provincial Priorities	District Priorities	10 Point Plan	Community Priorities	IDP Priorities
						t	
						Sanitation	Sanitation
						Community facilities	Community development
						Housing	Integrated human settlement
						Social services	Rural development
Crime & corruption	All people in SA are and feel safe	Fight corruption			Fraud & corruption	Safety & security	Good governance & public participation & community development
Others	Responsive, accountable, effective and efficient Local Government System.	Transition to a low carbon economy	Social cohesion		Good governance		Good governance & public participation
	An efficient, effective and developmental orientated public service and an empowered, fair and inclusive citizenship.	Build a capable state	Tourism, biodiversity & cultural heritage	Financial management	Democracy		Financial management & viability
	Create a better South Africa, a better Africa and a better World	Transformation & unity			Credible IDP		
	Protect and enhance our environmental assets and natural resources				Stability, Integrity		

Source: IDP Unit, 2016

2.4 Corporate Governance

2.4.1 Risk Management

During the 2016/2017 financial year, the Municipality implemented an enterprise-wide risk management system as required by Municipal Finance Management Act (Act 56 of 2000). The identification, categorization, rating and mitigation of all risks, were conducted in terms of a Risk Management Framework that is in accordance with the Public Sector Risk Management Framework (National Treasury) as well as the ISO 91 000 standard and the King Three Report. To manage its risks, the municipality appointed risk owners as well as action owners and risk champions in all departments. All role players received the appropriate training to capacitate them to mitigate the risks.

During the reporting period, the job descriptions, performance contracts of General Managers as well as the System of Delegations, were amended to include specific responsibilities and powers with regards to risk management. The Performance Measurement System was also amended to include progress made with the mitigation of risks on a quarterly basis. To facilitate the process of risk management and trying to embed risk management into the culture of the municipality, an IT software system was acquired. In terms of the System of Delegations, all Members of the Mayoral Committee as well as the Section 79 Oversight Committees, are responsible to monitor and evaluate progress pertaining to the mitigation of risks.

Risk Management is a standing item on the weekly General Manager Forum meetings where the mitigation of the following five strategic risks are closely monitored and evaluated.

NO	STRATEGIC RISK	MITIGATION STRATEGIES
1	Inadequate cash flow	Implementation of the Revenue enhancement strategy. Implementation of a new collection automated system.
2	Inadequate return of resources	Updating and enforcement of the internal control framework. Establishment of a Monitoring and Evaluation Unit as well as Contract Management Unit. Strengthening of the Internal Audit Unit.

NO	STRATEGIC RISK	MITIGATION STRATEGIES
3	Uncontrolled urbanization	Discussion, liaison and cooperation between Local Tribal authorities, and the Provincial Government. Review of planning processes. By law enforcement.
4	High Unemployment	Implementation of the Local Economic Development Strategy.
5	Insufficient raw water supply	Implementation of water usage restricting's. Plans in process to build an additional dam.

2.4.2 Anti-Corruption and Fraud

Implementation of the Anti-Corruption Strategy

During the reporting period; the following measures to execute the Anti-Corruption Strategy was implemented:

- A fraud hotline, fax, e-mail and SMS system were created to enable the public to report any case of misconduct or criminal event to the municipality.
- An external audit company was appointed to investigate any complaints received via the system.
- Procedures were compiled to submit reports conducted by the external audit company, to the Municipal Manager.
- The possibility of fraud and corruption is one of the unacceptable risks that need to be mitigated by every General Manager. This mean that every General Manager in the beginning of every financial year, needs to compile action plans on how he/she intend to minimize the possibility of misconduct and criminal behaviour in the Department. The General Manager then needs to submit quarterly progress reports on how he/she progresses with the implementation of the anti-corruption strategy. These progress reports are then submitted to the Risk Management Committee for discussion and verification. A report is then submitted to the Municipal Manager.

2.4.3 By-laws and policies

Section 11 (3) of the Municipal Systems Act 32 of 2000 allows a municipality to exercise its legislative and executive authority by developing and adopting policies, passing and implementing its by-laws, as well as monitoring the impact and effectiveness of any policies.

While section 160 (4) of the Constitution states that no by-law may be passed by a Municipal Council unless:

- All the members of the Council have been given reasonable notice; and
- The proposed by-law has been published for public comment.

The following is a list of policies and by-laws developed/reviewed during the 2016/17 financial year:

Department	Name of Policy/By-Law	Status	Year
1. Corporate Services	Overtime Policy	Rationalized & Approved	2017
	Draft Performance Management Framework for Non- Section 56 Employees	Rationalized Not yet Approved	2017
2. Financial Management	Credit Control and Debt Collection Policy	Rationalized & Approved	2017
	Deposit & Refund Policy	Rationalized & Approved	2017
	Contract Management Policy	Rationalized & Approved	
	Fleet Management Policy	Rationalized & Approved	2017
	Proof of Residence Policy	Rationalized & Approved	2017
	Travelling and Subsistence Policy	Rationalized & Approved	2016
	Supply Chain Management Policy	Rationalized & Approved	2017
	Virement Policy	Rationalized & Approved	2017
	Budget Policy	Rationalized & Approved	2017
	Asset Management Policy	Rationalized & Approved	2017

Department	Name of Policy/By-Law	Status	Year
	Indigent Policy	Rationalized & Approved	2017
3. City Planning & Development	Alienation and Acquisition of Municipal Properties Policy	Rationalized & Approved	2016
	Eradication of Informal Settlement By-law	Rationalized & Approved	??
	Control of Outdoor Advertising Policy	Rationalized & Approved	2016
	Business License Policy	Rationalized & Approved	2017
4. Public Works ,Roads & Transport	Street Tress By-Law	Rationalized & Approved	2016
	Bulk Contribution for Roads By-law	Rationalized & Approved	2016
5. Community Services	Cemetery By-law	Rationalized & Approved	2016
6. Public Safety	Traffic Control Policy	Rationalized & Approved	2017
7. Office of Council	Ward Committee Establishment Policy	Rationalized & Approved	2016
	Standing Orders	Rationalized & Approved	2016
8. Office of the Municipal Manager	Climate Change Policy	Rationalized & Approved	2016

Departments are still in the process of rationalizing the policies and By-laws that existed before the disestablishment of the former Mbombela and Umjindi Local Municipalities.

2.4.4 Website and Public satisfaction on municipal services

The City of Mbombela has a function website, compliant to applicable legislation. Section 75 reports and general information is readily available on the website. The website also accommodates social media pages like Facebook, twitter and YouTube. It serves as an extended communication tool of the city from main stream communication channels. The website also has links to critical government departments and services as well as state owned enterprises.

The website allows for comments, complaints and suggestions on service delivery issues by citizens. The complaints management system is in place where customers interact with the city. Issue tracking has been further enhanced through the new introduced provincial app called Satise Silalele.



2.4.5 All municipal oversight committees

CITY PLANNING AND RURAL DEVELOPMENT	COMMUNITY SERVICES	CORPORATE SERVICES	ENERGY	FINANCIAL MANAGEMENT
<i>Chairperson:</i> <i>Cllr J J Khoza</i>	<i>Chairperson:</i> <i>Cllr M J Hlophe</i>	<i>Chairperson</i> <i>Cllr J M Mazibane</i>	<i>Chairperson</i> <i>Cllr T G Mabuza</i>	<i>Chairperson</i> <i>Cllr E M Mutobvu</i>
S M Banda	L M Bhembe	T M Bulunga	G C B Anthony	H P Celliers
E G Janse van Rensburg	M J Malomane	M E Mhawule	E K Manzini	T M J Grové- Morgan
S E Makushe	R F Mgwenya	G M Nkambule	M C Mhlanga (Mpumelelo)	N A Mokoena
S E Mbokane	J V Mhlaba	K A Oliver	B P Nkhoma	D J Nkosi
D D T Ngobe	L Ngwenyama	W P Sibiya	L M Shongwe	F S Nkosi
G M Nkambule	H L Shongwe		W P Sibiya	E M Sebashe
D E Shongwe	L M Shongwe			L E Sibonza

PUBLIC SAFETY	PUBLIC WORKS AND TRANSPORT	REGIONAL CENTRE CO-ORDINATION	STRATEGIC MANAGEMENT SERVICES	WATER AND SANITATION
<i>Chairperson:</i> Cllr L T Mlombo	<i>Chairperson:</i> Cllr D D Ngwenyama	<i>Chairperson</i> Cllr D B Mkhatshwa	<i>Chairperson:</i> Cllr T M Charles	<i>Chairperson:</i> Cllr S I Mokoena
A E Fankomo	H P Celliers	H B Fakude	N M Maganga	T M J Grové - Morgan
T Marshall	N L Lukhele	M E Jacobs	M Mbewe	P P Mbowane
M S Mashela	L Maseko	S T Masha	A S Mthunywa	K G Ndhlovu
M Mbewe	S R Masuku	J J Mkhabela	T K Nyathi	F S Nkosi
R Q Molemo	P C W Minnaar	D B Nkosi	L M Sikonela	B A Nyundu
M C Nkosi	B A Nyalungu	E N Sibambo	S van der Merwe	K A Oliver
		L C Sibiya		W P Sibiya
				A Thabethe

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE	PUBLIC PARTICIPATION AND PETITION COMMITTEE
<i>Chairperson:</i> <i>Cllr K M Mkhonto</i>	<i>Chairperson:</i> <i>Cllr M J Msibi</i>
L Maseko	T M Charles
J B Mashaba	E G Janse van Rensburg
M C Mhlanga (Calvin)	T G Mabuza
T M Pila	J M Mazibane
S R Schormann	P V Mkhatshwa
E M Sebashe	K M Mkhonto
	G M Nkambule
	W P Sibiya

CHAIRPERSONS COMMITTEE	PROGRAMMING COMMITTEE	RULES AND ETHICS	PARTY WHIPS FORUM
<i>Chair of Chairs:</i> <i>Cllr J M Mazibane</i>	<i>Chairperson</i> <i>Cllr M J Msibi</i>	<i>Chairperson</i> <i>Cllr M J Msibi</i>	<i>Chairperson</i> <i>Cllr M E Nsimbini</i>
T M Charles	H P Celliers	H P Celliers	H P Celliers
M J Hlophe	Mathonsi S P (P V Mkhatshwa)	P V Mkhatshwa	L M Shongwe
J J Khoza	J M Mazibane	M E Nsimbini	W P Sibiya
T G Mabuza	M E Nsimbini	L M Shongwe	S van der Merwe
D B Mkhatshwa	L M Shongwe	W P Sibiya	
K M Mkhonto	W P Sibiya	S van der Merwe	
L T Mlombo	S van der Merwe		
S I Mokoena			
E M Mutobvu			
D D Ngwenyama			

2.4.6 Supply Chain Management

1. Introduction

Regulation 6(1) of Supply Chain Management regulations, 27636 of 30 May 2005 issued by National Treasury stipulates that “Council of a municipality and the board of directors of a municipal entity must maintain oversight over the implementation of its supply chain management policy.

Sub-section (2) of the regulations stipulates that for the purposes of such oversight, the Accounting Officer must in the case of a municipality, within 30 days of the end of each financial year, submit a report on the implementation of the Supply Chain Management policy of the municipality and of any municipal entity under its sole or shared control, to the council of the municipality

2. Establishment of Supply Chain Management Unit

The unit has been established to implement Supply Chain Management policy as per regulation 7(1) of Supply Chain Management Regulations. The unit operates under the direct supervision of the Chief Financial Officer as required by regulation 7(3) of Supply Chain Management.

Supply Chain management submitted the approved Demand Management plans to the Provincial Treasury which is the first element in Supply chain management functions.

The objective is to ensure that the resources required to fulfil the needs identified in the Integrated Development Plan (IDP) and the Service Delivery Budget Implementation Plan (SDBIP) of the City are delivered at the right time, price and place and that the quantity and quality will satisfy those needs of the user (ultimately the provision of services to the community). As part of this element of Supply Chain Management, a total needs analysis was undertaken in line with the approved Budget and SDBIP. The analysis was included as part of the strategic planning process of the City.

3. Training of Supply Chain Management Officials

Supply Chain Management practitioners involved in the implementation of Supply Chain Management processes are currently receiving on-going training on functioning of Supply Chain Management System in accordance with regulation 8 of the MFMA Supply Chain Management Regulations. The trainings are conducted by various accredited institutions. A further in house trainings are held on continuous basis to ensure that stakeholders are always equipped with knowledge to deal with any challenge and developments regarding supply chain management matters.

4. Composition of bid committees

A committee system for competitive bids consisting of at least three committees, namely; a Bid Specification Committee, a Bid Evaluation Committee and a Bid Adjudication Committee established as per regulation 26(1) of Supply Chain Management regulations. The bid committee system is consistent with regulation 27,28 and 29 of the MFMA Supply Chain Management regulations that regulate the establishment of the three bid committees in municipalities and municipal entities.

As reported in the Supply Chain Management first quarter report, the first quarter coincided with the amalgamations' of two former municipalities, namely Mbombela Local Municipality and Umjindi Local Municipality. Both municipalities had bids that closed prior to the amalgamation. Those bids were in the processes of undergoing normal evaluations and adjudication processes. As part of the transition of the amalgamation process, the Municipal Manager on 01 September 2016

established two separate interim bid committees consisting of officials from both the former municipalities to deal with all bids that closed prior to the amalgamation process. The term of office of the interim bid committees was 30 days ending on 30 October 2016.

All the projects which were advertised prior the amalgamation process have been evaluated and adjudicated on time. Subsequently the Municipal Manager on 11 November 2016 established three bid committees for the City of Mbombela which their term expired on 30 June 2017.

The municipality had two (2) Bid Specification Committees, four (4) Bid Evaluation Committees and one (1) Bid Adjudication Committee, comprising of officials of the municipality. The meetings of the bid specification and evaluation committees are guided by schedules approved by the Chief Financial Officer and the Bid Adjudication Committee approved by the Municipal Manager. The appointment of the committee members was done in writing as per the Supply Chain Management regulations and policy of the municipality.

5. Functionality of bid committees

As reported previously in all the four quarters, the sitting of the bid committees has increased drastically. This is evident by the fact that the municipality has increased in the spending of grant funded project. During 2014/2015 and the previous financial years prior to that, the municipality was recording an average of 54% spending in grant funded projects. Currently the spending is more than 70% of the allocated budget. The turnaround bid committees management strategy implemented in 2015/2016 financial year has yield dividends in this regard.

6. Establishment of supply chain management process awareness

In order to ensure the supply chain management processes are in line with Supply Chain Management Regulations and Policy of the municipality are institutionalized, a supply chain management forum was established by the Municipal Manager. Supply chain management division convened various meetings with different departments to educate them of the requirements in the procurement of goods and services. The meetings went well but there was underperformance in other supply chain management reporting periods largely due to the number of workshops related to the implementation of Municipal Standard Chart of Accounts (MSCOA) regulations, amalgamation and Auditor General's audit processes. Generally, the attendance and the level of engagements with the stakeholders was satisfactory.

7. Supply Chain Management Policy

The City has been operating with two supply chain management policies of the former municipalities since its establishment on 10 August 2016 until on 13 December 2016. It should, however be noted that the two SCM polices from the former municipalities were identical and in line with the Supply Chain Management regulations. The only noticeable differences recorded was on the part of the delegated powers. That was expected taking into considerations the sizes of the two former municipalities.

In order to ensure there was proper supply chain management processes governance in the municipality, Council has in line with Regulation 2 of the Supply Chain Management Regulations approved a supply chain management policy of the City of Mbombela as per council resolution A(6) of 13 December 2016. The approved Supply Chain Management Policy (the policy) has been implemented with immediate effect as from 14 December 2016.

The policy provides a framework on which the processes of procuring of goods and services must be adhered to, and what structures and systems must be put in place to support the processes of the

procurement of goods and services. Any deviation that is not in accordance with this policy will be regarded as a non-compliance which will result in any expenditure incurred be regarded as irregular.

The Supply Chain Management policy was later amended to incorporate the requirements of the Preferential Procurement regulations of 2017 implementable as from the 01 April 2017. The policy was approved in line with the budget related policies tabled before council in March 2017.

8. Supply chain management system of delegations

During the second quarter, the Council has approved as per council resolution A(8) of 27 October 2016 the system of delegations which empowered the Municipal Manager to implement supply chain management and financial delegations in line with section 79 of the Municipal Finance Management Act, 56 of 2003. Subsequently the Municipal Manager has on 07 November 2016 approved the implementation of the system of supply chain management and financial management delegations

9. Supply Chain Management Reforms

The National treasury introduced the following supply chain management reforms during the reporting period:

- a) Central supplier's database (CSD) to all organs of state to use when procuring goods and services as required by circular 81 of 2016.

Although regulation 14 of the Supply Chain Management regulations was not formally invoked by the National Treasury, circular 81 clearly indicated that the state organs must utilise the CSD as a single source for the procurement of goods and services. Supply chain management division uses service providers who are registered and active in the Central supplier's database as per the requirement of the National treasury

- b) Preferential Procurement Regulations 2017 which came into effect on the 1st of April 2017. The Preferential Procurement Regulations 2017 were incorporated in the Supply Chain Management policy of the municipality and approved in line with the budget related policies.

The National Treasury convened a national training workshop on Preferential Procurement Regulations 2017. The purpose of the workshop was to assist municipalities to align the reforms with their SCM policies. The workshop was held on the 17th of March 2017 in the National school of Governance in Pretoria. The Municipality was represented by officials from Supply Chain Management led by the Chief Financial Officer.

On 30 March 2017 a workshop of all managers of municipality was convened by the office of the Chief Financial Officer with the view of introducing the SCM reforms to all the managers within the municipality. The following reforms were discussed during the workshop:

- i) Supply Chain Management reforms on Preferential Procurement Regulations, 2017 which came into effect on the 1st of April 2017;
- ii) Supply Chain Management sourcing strategy as one of the cost curtailment measures; and
- iii) Supply Chain Management Demand Management processes.

- (c) National Treasury introduced the Model SCM Policy for Infrastructure Procurement and Delivery Management. The implementation date of the policy is 01 July 2017. Council approved the as item (A) 5 in its meeting held on 28 June 2017.

National Treasury arranged a workshop through its appointment consultants to facilitate training on the implementation of the policy. The workshop was held in Cape Town on the 25th to 26th of April 2017. All organs of state which are subject to Public Finance Management Act (PFMA) were required to implement it with effect from the 1st of July 2016 and those which are subject to the Municipal Finance Management Act (MFMA) were required to implement it with effect from the 1st of July 2017. The municipality was represented by officials from Supply Chain Management Unit led by the Chief Financial Officer and officials from service delivery units led by the respective General Managers

- (d) Supply Chain management sourcing strategy was developed and approved by Council in its meeting held on the 28th of June 2017 as per resolution A(4). The sourcing strategy policy aims to set a frameworks for sourcing of all goods and services required in the city of Mbombela. It is also one of the cost curtailment measures of the city of Mbombela as many municipal services and supporting services are outsourced to service providers.

10. Supply chain management reports to executive mayor

All supply chain management quarterly reports were consistently reported to the Executive Mayor as required by regulation 6 (3) of the Supply Chain management of 27636 dated 30 May 2005 issued by National treasury which stipulates that: "Municipal Manager must within ten (10) days of the end of each quarter, submit a report on the implementation of the Supply chain management policy to the Mayor of the Municipality or the board of directors of the municipal entity".

The reports contained the following:

- (a) the performance on the implementation of the supply chain management policy;
- (b) bids awarded during the reporting period or quarter of 2016/2017 financial year;
- (c) bids awarded in terms of regulation 36 of the Supply Chain Management Regulations;
- (d) Irregular expenditure incurred during the reporting period or quarter of 2016/2017 financial year, and
- (e) Recommendations regarding the deviations and irregular expenditure incurred.

11. Irregular expenditure incurred during the reporting Periods

It be noted that, despite the Supply Chain Management policy and processes awareness campaigns conducted on a quarterly basis to educate officials, there are still departments that do not adhere to the processes and as a result irregular expenditure was incurred during the entire reporting periods or quarters.

This matter of irregular expenditure and measures to prevent non-compliance is always a standing item discussed in the supply chain management forum meetings with user departments.

12. Deviations from normal bidding processes

Deviations from normal bidding processes were reported to council on quarterly basis. The deviations are audited by the Internal Audit Divisions with the assistance of the co-sourced service provider Messrs Sithole SS Chartered Accountants. Corrections will be made from time to time on the deviation registered soon after an opinion has been raised during the audit.

13. Supply chain management challenges in the reporting period

- a. Insufficient human capital in supply chain management division
- b. Critical position such as contract manager approved in the structure has been vacant as far back as 2013/2014 financial year.
- c. Non adherence attendance of Supply Chain Management forum meetings by officials geared to capacitate them to adhere to supply chain management regulations and policy which gives birth to incurrence of irregular expenditure;
- d. Lack of proper planning in the procurement of goods and services which results in high rate of deviations; Delays in the payment of service providers.

14. Report on write-off of redundant inventory for the 2016/2017 financial year

In the third quarter Supply Chain Management report, it was reported an electrical power supply cable was stolen at the Mbombela Municipal stores. It was further reported that security measures were improved in all the municipal stores to ensure none-recurrences of such act. A report was tabled as item (A) 7 before council on 28 June 2016 detailing the performances of the municipal stores sections and all items written off as redundant items. The total value of the rights off was amounting to R960 089.07 excluding VAT.

3. CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

The service delivery reporting is consolidated according to the following seven Development Objectives as stipulated in the 2016/2017 Integrated Development Plan (IDP) and the 2016/2017 Service Delivery and Budget Implementation Plan (SDBIP):

- To provide infrastructure and sustainable basic services
- To provide sustainable social amenities to the communities
- To strengthen the delivery of sustainable integrated human settlement and environmental management
- To initiate a strong and sustainable economic development
- To build a strong good governance and public participation
- To ensure legally sound financial viability and management
- To maintain and sustain the 2010 legacy projects

Table 3.8: IDP development priorities and objectives

IDP DEVELOPMENT OBJECTIVE	IDP DEVELOPMENT PRIORITY
1. To provide infrastructure and sustainable basic services	Water supply Roads infrastructure development and storm water Electricity supply & energy management Sanitation / sewerage Public transport Rural development Waste management & greening
2. To provide sustainable social amenities to the communities	Community development
3. To strengthen the delivery of sustainable integrated human settlement and environmental management	Integrated human settlement

IDP DEVELOPMENT OBJECTIVE	IDP DEVELOPMENT PRIORITY
4. To initiate a strong and sustainable economic development	Economic development
5. To build a strong good governance and institutional development	Good governance and public participation
6. To ensure legally sound financial viability and management	Financial management Revenue enhancement
7. To maintain and sustain the 2010 legacy projects	2010 legacy

Source: 2016/17 IDP Document



Table 3.9 Summary of Institutional Performance per Department

Department/Unit	Total targets	Targets achieved	Percentage	Targets not achieved	Percentage
Public Works, Roads and Transport	96	57	59%	39	41%
Energy	19	15	79%	4	21%
Water and Sanitation	46	35	76%	11	24%
Community Services	35	28	80%	7	20%
Public Safety	28	23	82%	5	18%
City Planning and Development	38	17	45%	21	55%
Corporate Services	27	23	85%	4	15%
Financial Management	56	42	75%	14	25%
Legal Services	8	8	100%	0	0%
Strategic Management Services	23	19	83%	4	17%
Office of the Deputy Municipal Manager: Auxiliary Services	29	24	83%	5	17%
Office of the Municipal Manager	13	13	100%	0	0%
Regional Centre Coordination	11	11	100%	0	0%
Office of Council	8	4	50%	4	50%
Office of the Chief Whip	5	4	80%	1	20%
Total	442	323	73%	119	27%

3.1 Public Works, Roads and Transport

The Annual Performance of the department is summarised as follows:

3.1 Public Works, Roads and Transport

The Annual Performance of the department is summarised as follows:

Department/Unit	Total number of targets	Number of achieved targets (100% success)	Number of targets not achieved
Office of the General Manager	3	2	1
Project Implementation Unit	70	40	30
Roads and Stormwater	18	12	6
Expanded Public Works Programme	1	1	0
Public Transport Operation	4	2	2
Total	96	57	39
Percentage	100%	59%	41%

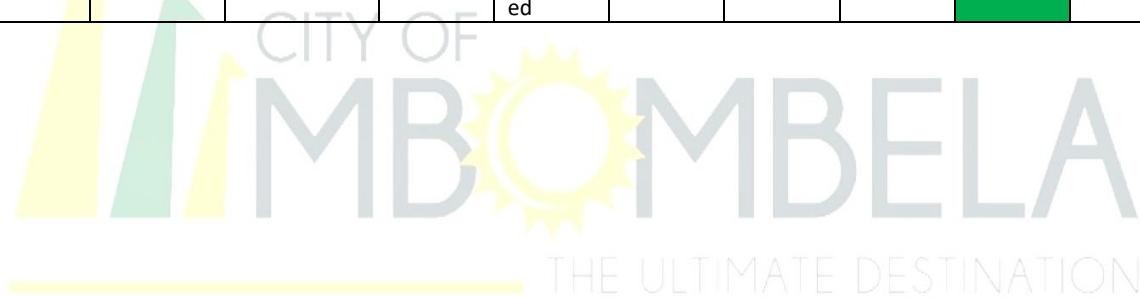
3.1.1 Office of the General Manager

The Annual Performance of the section is summarised as follows:

Department/Unit	Total number of targets	Number of achieved targets (100% success)	Number of targets not achieved
Office of the General Manager	3	2	1
Percentage	100%	100%	0%

IDP Number	Project Description	Location	Ward	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/17 Annual Target	Means of Verification	Actual budget spent	Was the target achieved	Actual performance for 2016/17	Reason for non-achievement and variations (deviation)	Plans to address non-achievement and timeframes
											Yes			
Development Priority: Good governance and institutional development														
CM252	Risks Mitigation	Institutional	Institutional	RO	RO	3	Number of Risk progress reports submitted	3 risk mitigation progress reports submitted	Reports	RO	No	2 risk mitigation progress reports submitted	GM resigned and acting GM only appointed on 1 June 2017	The acting GM will ensure implementation of the 2017/18 risk mitigation action plan

IDP Number	Project Description	Location	Ward	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/17 Annual Target	Means of Verification	Actual budget spent	Was the target achieved	Actual performance for 2016/17	Reason for non-achievement and variations (deviation)	Plans to address non-achievement and timeframes		
															Yes	No
CM253	Departmental Review Sessions	Institutional	Institutional	R0	R0	4	Number of departmental performance review sessions conducted	1 department performance review session conducted	Attendance Register	R0	Yes	None	N/A	N/A		



3.1.2 Project Implementation Unit

The Annual Performance of the section is summarised as follows:

Department/Unit	Total number of targets	Number of achieved targets (100% success)	Number of targets not achieved
Project Implementation Unit	70	40	30
Percentage	100%	57%	43%

IDP Number	Project Description	Location	Ward	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/17 Annual Target	Means of Verification	Actual budget spent	Was the target achieved	Actual performance for 2016/17	Reason for non-achievement and variations (deviation)	Plans to address non-achievement and timeframes
											Yes			
Development Priority: Water Supply														
CoM 01	Provision Of Nsikazi South Via Karino Bulk Water Supply Scheme Phase 2	Nsikazi South	2,4,10,1 1,18,19, 20,21,2 2,23,24, 26,2931 ,32,33,3 4,35,37, 39	R71 960 193	R48 905 814	30% construction of bulk water line and reservoir	% of 10ML/d treatment plant & pump station constructed	100% of 10ML/d treatment plant & pump station constructed	Completion Certificate	R48 339 155.99	No	86% of 10ML/d treatment plant & pump station constructed	Delays due to community unrest and late payment of contractor	Department to closely monitor Contractor to adhere to programme to ensure that project is completed by 30 September 2017

IDP Number	Project Description	Location	Ward	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/17 Annual Target	Means of Verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variations (deviation)	Plans to address non-achievement and timeframes
											Yes	No			
							% of bulk line installed	100% of bulk line installed	Completion certificate		No	98 % of bulk line installed	Delays due to community unrest and late payment of contractor	Department to closely monitor Contractor to adhere to programme to ensure that project is completed by 30 September 2017	programme to ensure that project is completed by 30 September 2017
CoM 67	Replacement of AC Pipes	Barberton (CBD)	42	R3 460 000	R10 903 509	0km of asbestos pipes replaced	Number of kilometre s of asbestos pipe replaced	4 Kilometres of asbestos pipe replaced	Completion Certificates	R8 583 743.19	No	0 Kilometres of asbestos pipes have been replaced in this financial year	Material delivered late by supplier. However the project is 95% complete	Project to be fast tracked during implementation. The project will be completed in the 1 st quarter of 2017/2018 financial year	

IDP Number	Project Description	Location	Ward	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/17 Annual Target	Means of Verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variations (deviation)	Plans to address non-achievement and timeframes
											Yes	No			
CoM 283	Construct Water Treatment Plant: Mlambongwane	Mlambongwane	45	R2 526 449	R2 526 449	60% of construction completed	% of water treatment plant completed	100% of water treatment plant completed	Completion Certificate	R1 332 224.13	No	No	82% of water treatment plant completed	Delays caused by unresolved issues between the contractor and his JV partners.	Engagements has been conducted with all stakeholders to resolve the issue. Project will be completed in the 2 nd quarter
Development Priority: Sanitation															
CoM 42	Tekwane North outfall sewer	Tekwane North	26	R12 000 000	R12 000 000	0	Kilometres of sewer pipeline installed	7 kilometres of sewer pipeline installed	Completion certificate	R8 306 513.77	No	5 kilometres of sewer pipeline installed	Delays caused by community interference/U nrest, late payment of contractor and rocks that must be blasted.	Engagements has been conducted with all stakeholders to resolve community issues. Project will be completed in the 2 nd quarter	
CoM 43	Mataffin Sanitation Structures	Mataffin	14	R8 490 416	R4 090 416	0	Number of sanitation structures completed	200 sanitation structures completed	Progress report/ Site minutes	R321 649.66	No	0 sanitation structures have been completed in this financial year	Delays by Consultant on submission of technical evaluation tender documents. However the contractor has been appointed	Project to be fast tracked during implementation. The project will be completed in the 2 nd quarter of 2017/2018 financial year	

IDP Number	Project Description	Location	Ward	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/17 Annual Target	Means of Verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variations (deviation)	Plans to address non-achievement and timeframes
											Yes	No			
CoM 44	Sewer Reticulation	Entokozweni	18	R628 911	R100 000	0	Number of Designs for sewer reticulation completed	1 Design for sewer reticulation completed	Design Report	R0	Yes		1 Design for sewer reticulation completed	N/A	N/A
CoM 75	Upgrade Bulk Sewer Ext9 Barberton Wtw	Extension 9 Barberton	45	R603 551	R1 103 551	75% of bulk sewer completer	% of 1.2 Kilometres of bulk sewer line at Ext 9 Barberton WTW completed	100% of 1.2 Kilometres of bulk sewer line at Ext 9 Barberton WTW completed	Completion Certificate	R361 844.36	Yes		100% of 1.2 Kilometres of bulk sewer line at Ext 9 Barberton WTW completed	N/A	N/A
Development Priority: Roads and storm Water															
CoM 89	Mataffin Bus Route	Mataffin	14	R20 000 000	R20 000 000	0%	% of 3.627 Kilometres of Mataffin bus route constructed	80% of 3.627 Kilometres of Mataffin bus route constructed	Progress report	R18 666 566.11	No		70.5% of 3.627 Kilometres of Mataffin bus route constructed	Delay caused by late payment of contractor	Contract period extended until end of 1 st quarter of 2017/2018 financial year

IDP Number	Project Description	Location	Ward	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/17 Annual Target	Means of Verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variations (deviation)	Plans to address non-achievement and timeframes
											Yes	No			
CoM 91	Construction of KaNyamazane Street: Hornet Road	KaNya mazane	19	R4 000 000	R4 625 439	0%	% of 0.4 kilometre of Hornet road constructed	100% of 0.4 kilometre of Hornet road constructed	Completion Certificate	R4 423 791.11	Yes		100% of 0.342 kilometre of Hornet road constructed	The initial estimated kilometres were 0.4 but the actual completed length is 0.342 kilometres	N/A
CoM 92	Construction of KaNyamazane Streets: Hercules Street	KaNya mazane	21	R10 668 252	R11 814 872	0%	% of 1.6 Kilometres of Hercules road constructed	100% of 1.6 Kilometres of Hercules road constructed	Completion Certificate	R10 291 365.61	Yes		100% of 1.6 kilometres of Hercules road constructed	N/A	N/A
CoM 93	Sand Ford Access Road	Sand Ford	1	R500 000	R200 000	0	Number of Designs for Sand ford access road completed	1 design for Sand ford access road completed	Design report	R0	Yes		1 design for Sand ford access road completed	N/A	N/A

IDP Number	Project Description	Location	Ward	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/17 Annual Target	Means of Verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variations (deviation)	Plans to address non-achievement and timeframes
											Yes	No			
CoM 94	Elijah Mango Bus Route Phase 3	Elijah Mango	11	R6 520 147.46	R7 041 806	0%	% of 0.65 kilometre of Elijah Mango bus route constructed	100% of 0.65 kilometre of Elijah Mango bus route constructed	Completion Certificate	R5 555 483.86	Yes		100% of 0.655 kilometre of Elijah Mango bus route constructed	The initial estimated kilometres were 0.65 but the actual completed length is 0.655 kilometres	N/A
CoM 95	Construction of Zomba to Emoyeni Road	Zomba	36	R13 522 084	R23 172 084	0%	% of 3.2 kilometres of Zomba to Emoyeni road constructed	100% of 3.2 kilometres of Zomba to Emoyeni road constructed	Completion Certificate	R14 770 505.56	No		58% of 3.2 kilometres of Zomba to Emoyeni road constructed	Community unrests, land and electricity issues and late payment of contractor.	Project has been put on acceleration plan and will be completed in the 2 nd quarter.
CoM 96	Pharaphara street in Kanyamazane	Pharaphara	19	R2 999 477	R2 999 477	0%	% of 0.31 Kilometre of Pharaphara road constructed	50% of 0.31 Kilometre of Pharaphara road constructed	Completion Certificate	R0	No		0% of the 0.31 Kilometre of Pharaphara road constructed	Delays due to long procurement processes. However a contractor has been appointed	Contractor to fast track project implementation of project. Project will be completed in the 2 nd quarter of 2017/2018 financial year

IDP Number	Project Description	Location	Ward	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/17 Annual Target	Means of Verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variations (deviation)	Plans to address non-achievement and timeframes
											Yes	No			
CoM 97	Construction of TV/Nkomeni Mangozeni Road	TV/Nkomeni	11	R12 000 000	R13 766 216	0%	% of 2.4 Kilometres of TV/Nkomeni road constructed	100% of 2.4 Kilometres of TV/Nkomeni road constructed	Completion Certificate	R10 253 901.85	No		85% of 2.4 Kilometres of TV/Nkomeni road constructed	Delays due to change in scope of work (Asphalt to Paving bricks) community unrest and late payment to contractor	The contractor to submit a revised implementation plan to fast track the project. Project will be completed by the end of 1 st quarter of 2017/2018 financial year
CoM 243	Upgrading of Kanyamazane street: Master Street	Kanya mazane	19,20	R3 169 015	R3 169 015	62% of 0.746 constructed in 2015/16	% of 0.746 Kilometre for Master Street constructed	100% of 0.746 Kilometre for Master Street constructed	Completion Certificate	R2 037 457.89	Yes		100% of 0.746 Kilometre for Master Street constructed	N/A	N/A
CoM 99	Upgrading of Kanyamazane street: Connie's Drive Street	Kanyamazane	20	R6 658 291	R408 291	0	Number of Designs for Connie's Drive Street completed	1 Design for Connie's Drive Street completed	Design Report for Connie's Drive Street	R0	Yes		1 Design for Connie's Drive Street completed	N/A	N/A

IDP Number	Project Description	Location	Ward	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/17 Annual Target	Means of Verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variations (deviation)	Plans to address non-achievement and timeframes
											Yes	No			
CoM 100	Construction of Sibuyile paved road phase 2	Sibuyile	24	R11 732 926	R4 229 771	0%	% of 1.1 Kilometres of Sibuyile road constructed	50% of 1.1 Kilometres of Sibuyile road constructed	Progress report / minutes	R2 744 835.00	Yes		70% of 1.1 Kilometres of Sibuyile road constructed	Program revised due to the availability of resources	N/A
CoM 101	Kanyamazane Streets: construction of Mirage Street	KaNya mazane	21	R2 772 004	R330 274	0	Number of contractors appointed for Mirage Street	1 contractor appointed for Mirage Street	Appointment letter	R298 525.29	No		0 contractor has been appointed for Mirage Street	Delays due to Supply Chain processes. However designs have been developed	Engage supply Chain to finalise the procurement processes. Project will be completed in the 1 st quarter of 2017/2018 financial year
CoM 102	Kanyamazane Streets: Construction of Shackleton to Red Barron street	KaNya mazane	21	R3 652 709	R414 217	0	Number of contractors appointed for Shackleton to Red Barron street	1 contractor appointed for Shackleton to Red Barron street	Appointment letter	R362 375.55	No		0 contractor has been appointed for Shackleton to Red Barron street	Delays due to Supply Chain processes. However designs have been developed	Engage supply Chain to finalise the procurement processes. Project will be completed in the 1 st quarter of 2017/2018 financial year

IDP Number	Project Description	Location	Ward	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/17 Annual Target	Means of Verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variations (deviation)	Plans to address non-achievement and timeframes
											Yes	No			
CoM 106	Construction/ Rehabilitation of streets through interlock paving	Emjidini	44	R12,000,000	R4 891 782	0%	% of 3.082 Kilometres of streets constructed	100% of 3.082 Km of streets constructed	Completion certificate	R4 876 797.64	Yes		100% of 3.082 Km of streets constructed	N/A	N/A
CoM 107	Construction of streets with interlock paving	Verulam/ Singqobile (link road)	43	R6 000 000	R8 029 218	0%	% of 1 Km of streets constructed	100% of 1 Km of streets constructed	Completion certificate	R6 710 452.97	Yes		100% of 1 Km of streets constructed	N/A	N/A
CoM 244	Construction of streets with interlock paving and installation of stormwater drainage systems at	Ext 13,14	41	R4 000 000	R6 220 725	0%	% of 810m of streets constructed	100% of 810m of streets constructed	Completion certificate	R6 165 395.02	Yes		100% of 952m of streets constructed	The length for extension 13 was accidentally omitted hence the difference of 142	N/A

IDP Number	Project Description	Location	Ward	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/17 Annual Target	Means of Verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variations (deviation)	Plans to address non-achievement and timeframes	
											Yes	No				
	Ext 13,14															
CoM 245	Daantjie-construction of Foda Nkomeni road	Daantjie	2	R0 000	R2 000 000	0	Number of Designs of Foda Nkomeni road completed	1 Design of Foda Nkomeni road completed	Design Report of Foda Nkomeni road	R0	Yes		1 Design of Foda Nkomeni road completed	Late submission of invoices by Service Provider	N/A	
CoM 246	Tekwane south- construction of Krokodile street	Tekwane South	18	R0	R150 000	0	Number of Designs of Krokodile street completed	1 Design of Krokodile street completed	Design Report of Krokodile street	R0	Yes		1 Design of Krokodile street completed	Late submission of invoices by Service Provider	N/A	
CoM 247	Upgrading of Tsuma-Mashego Bermuda road	Msogwaba	24	R0	R100 000	0	Number of Designs of Tsuma-Mashego Bermuda road completed	1 Design of Tsuma-Mashego Bermuda road completed	Design Report of Tsuma-Mashego Bermuda road	R0	Yes		1 Design of Tsuma-Mashego Bermuda road completed	Late submission of invoices by Service Provider	N/A	
CoM 248	Majika-Sandriver bus route	Sand river	25	R0	R100 000	0	Number of Designs of Majika-Sandriver	1 Design of Majika-Sandriver bus route	Design Report of Majika-	R0	Yes		1 Design of Majika-Sandriver bus route	Late submission of invoices by Service	N/A	

IDP Number	Project Description	Location	Ward	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/17 Annual Target	Means of Verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variations (deviation)	Plans to address non-achievement and timeframes
											Yes	No			
							bus route completed	completed	Sandriver bus route				completed	Provider	
CoM 249	Mgcobane ni bus route	Mgcobaneni	9	R0	R100 000	0	Number of Designs of Mgcobaneni bus route completed	1 Design of Mgcobaneni bus route completed	Design Report of Mgcobaneni bus route	R0	No	0 Design of Mgcobaneni bus route has been completed	Delays due to procurement processes.	Implementation plan is being fast tracked. The project will be completed by the 1 st quarter of 2017/2018 financial year	
CoM 250	Upgrading of Zakheni Bermuda road	Pienaar	2	R0	R100 000	0	Number of Designs of Zakheni Bermuda road completed	1 Design of Zakheni Bermuda road completed	Design Report of Zakheni Bermuda road	R0	Yes	1 Design of Zakheni Bermuda road completed	N/A	N/A	
CoM 251	Construction of Mkhumlakheza road	Mkhumlakheza	2	R0	R100 000	0	Number of Designs of Mkhumlakheza road completed	1 Design of Mkhumlakheza road completed	Design Report of Mkhumlakheza road	R0	Yes	1 Design of Mkhumlakheza road completed	N/A	N/A	

IDP Number	Project Description	Location	Ward	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/17 Annual Target	Means of Verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variations (deviation)	Plans to address non-achievement and timeframes
											Yes	No			
CoM 271	Construction of paved roads Somcuba	Somcuba	29	R4 776 211	R4 197 653	0%	% of construction of 2.2 kilometres of Somcuba road completed	100% of construction of 2.2 kilometres of Somcuba road completed	Completion certificate	R3 934 013.59	Yes		100% of construction of 2.2 kilometres of Somcuba road completed	N/A	N/A
CoM 274	Construction of Kanyamazane Crane and Lituba	Kanyamazane	21	R3 834 486	R3 834 486	0%	% of construction of 0.5 kilometres of road completed	100% of construction of 0.5 kilometres of road completed	Completion certificate	R2 359 347.38	Yes		100% of construction of 0.6 kilometres of road completed	Additional scope of work to avoid erosion	N/A
CoM 275	Construction of Kanyamazane internal roads – Robben Island	Robben Island	27	R5 614 975	R5 614 975	0%	% of construction of 1.2 kilometres of Robben Island road completed	100% of construction of 1.2 kilometres of Robben Island road completed	Completion certificate	R4 872 737.57	Yes		100% of construction of 1.5 kilometres of Robben Island road completed	The initial estimated kilometres were 1.2 but the actual completed length is 1.5 kilometres	N/A

IDP Number	Project Description	Location	Ward	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/17 Annual Target	Means of Verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variations (deviation)	Plans to address non-achievement and timeframes	
											Yes	No				
CoM 276	Construction of Tekwane North Bus Route	Tekwane	18	R4 917 000	R4 917 000	0	% of construction of 1.2 kilometres of Tekwane North bus route completed	100% of construction of 1.2 kilometres of Tekwane North bus route completed	Completion certificate	R 5 335 012	Yes		100% of construction of 1.2 kilometres of Tekwane North bus route completed	N/A	N/a	
CoM 277	Upgrade of Phola collector road	Phola	5	R3 159 796	R759 796	0	% of construction of 2.4 km kilometres of Phola collector road completed	100% of construction of 2.4 km kilometres of Phola collector road completed	Completion certificate	R 845 775	Yes		100% of construction of 2.4 km kilometres of Phola collector road completed	N/A	N/A	
Development Priority: Electrical Services																
CoM 278	Refurbishment and Upgrading of existing high mass and street	All wards	All wards	R0	R10 000 000	562	Number of LED street lights installed	700 LED street lights installed	Completion certificate	R9 987 646.26	Yes		700 LED street lights installed	N/A	N/A	

IDP Number	Project Description	Location	Ward	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/17 Annual Target	Means of Verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variations (deviation)	Plans to address non-achievement and timeframes
											Yes	No			
	lights														
Development Priorities: Public Transport															
CoM 115	Upgrade of Mbombela CBD Priority Routes: Friedenheim	Mbombe la	14	R20 000 000	R18 233 104	Two way street with 1 lane each way	% of 1.2 Kilometres of existing Friedenheim Road upgraded into four lanes	100% of 1.2 Kilometres of existing Friedenheim road upgraded into four lanes	Progress report / minutes	R8 984 408. 98	No	74% of 1.2 Kilometres of existing Friedenheim road upgraded into four lanes	Delays in payments contractor. The project was also delayed by the approval of Water Use License Application (WULA).	The contractor revised the programme with strict control measures. Project will be completed in the 2 nd quarter of 2017/2018 financial year	
CoM 116	Upgrade of Mbombela CBD Priority Routes: Bosch Interchange	Mbombe la	14	R5 000 000	R630 000	0	Number of Designs for Mbombela CBD Priority Routes: Bosch Interchange completed	1 Design for Mbombela CBD Priority Routes: Bosch Interchange completed	Design report for Mbombela CBD Priority Routes: Bosch Interchange	R0	Yes	1 Design for Mbombela CBD Priority Routes: Bosch Interchange completed	Invoice submitted to finance but not yet paid	N/A	

IDP Number	Project Description	Location	Ward	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/17 Annual Target	Means of Verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variations (deviations)	Plans to address non-achievement and timeframes
											Yes	No			
CoM 117	Construction of R40/D725 Interchange – University of Mpumalanga	Mbombela	14	R26 000 000	R12 000 000	0%	% of construction of Intersection on R40 /D725 interchange completed	15% of construction of Intersection on R40 /D725 interchange completed	Progress report, site meeting minutes	R 1 861 186	No	No	0% of construction of Intersection on R40 /D725 interchange completed	Delays due to long procurement processes. However contractor has been appointed	Engage Supply Chain to fast track appointment of the contractor. Project will be achieved in the 2 nd quarter of 2017/2018 financial year
CoM 118	TUT PT Facility	Mbombela	15	R10 000 000	R10 000 000	0	Number of Covered Public Transport facilities constructed	4 Covered Public Transport facilities constructed	Completion Certificates	R7 214 447.65	No	No	3 Covered Public Transport facilities constructed	Delays due to late payment. The 1 Public Transport facility is 95% complete	The department to closely monitor the contractor to ensure that project is completed by the end of the first quarter of 2017/18 Financial year

IDP Number	Project Description	Location	Ward	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/17 Annual Target	Means of Verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variations (deviation)	Plans to address non-achievement and timeframes
											Yes	No			
CoM 119	Rob Ferreira PT Facility	Rob Ferreira	15	R4 501 572	R14 501 572	0	Number of Covered Public Transport facilities constructed	4 Covered Public Transport facilities constructed	Completion Certificates	R8 653 380.87	No		2 Covered Public Transport facilities constructed	Delays due to late payments. The other 2 Public Transport facilities are at 90% progress	The department to closely monitor the contractor to ensure that project is completed by the end of the 2 nd quarter of 2017/18 Financial year
CoM 120	Bosch Street PT Facility	Mbombela	15	R7 070 963	R14 070 963	0	Number of Covered Public Transport facilities constructed	4 Covered Public Transport facilities constructed	Completion Certificates	R10 405 066.77	Yes		4 Covered Public Transport facilities constructed	N/A	N/A
CoM 121	Riverside PT Facility	Riverside	14	R10 000 000	R10 000 000	0	Number of Covered Public Transport facilities constructed	4 Covered Public Transport facilities constructed	Completion Certificates	R6 524 390.65	Yes		4 Covered Public Transport facilities constructed	.N/A	N/A

IDP Number	Project Description	Location	Ward	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/17 Annual Target	Means of Verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variations (deviation)	Plans to address non-achievement and timeframes
											Yes	No			
						ed									
CoM 122	Legogote PT Facility	Legogote	6	R10 000 000	R5 000 000	0%	% of construction of Legogote PT facility completed	10% of construction of Legogote PT facility completed	Progress report, Minutes	R411 606.25	No	0% of construction of Legogote PT facility completed	Delays due to long procurement processes. However a contractor has been appointed	The department to closely monitor the contractor to ensure that target is achieved by the end of the 1 st quarter of 2017/18 Financial year	
CoM 123	Kabokweni PT Facility	Kabokw eni	33	R2 000 000	R500 000	0	Number of Designs for Kabokweni PT Facility completed	1 Design for Kabokweni PT Facility completed	Design report Kabokweni PT Facility	R0	No	0 Design for Kabokweni PT Facility completed	Delays due to land availability issues	Finalise sale agreement with land owner. Designs will be finalised by the 2 nd quarter of 2017/2018 financial year	
CoM 124	Lehawu PT Facility	Lehawu	4	R2 000 000	R500 000	0	Number of Designs for Lehawu PT Facility completed	1 Design Lehawu PT Facility completed	Design report Lehawu PT Facility	R0	No	0 Design for Lehawu PT Facility completed	Delays due to land availability issues	Finalise sale agreement with land owner. Designs will be finalised by the 2nd quarter of 2017/2018	

IDP Number	Project Description	Location	Ward	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/17 Annual Target	Means of Verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variations (deviation)	Plans to address non-achievement and timeframes
											Yes	No			
															financial year
CoM 125	Matsulu PT Facility	Matsulu	27, 28	R2 000 000	R500 000	0	Number of Designs for Matsulu PT Facility completed	1 Design for Matsulu PT Facility completed	Design report for Matsulu PT Facility	R101 615	Yes	1 Design for Matsulu PT Facility completed	N/A	N/A	
CoM 126	KaNyamazane PT Facility	KaNya mazane	20	R2 000 000	R11 109 898	0%	% of construction of Kanyamazane PT facility completed	20% of construction of Kanyamazane PT facility completed	Progress Report, site meeting minutes	R1 342 348.78	No	9% of construction of Kanyamazane PT facility completed	Delays due to community unrest	The department to closely monitor the contractor to ensure that target is achieved by the end of the 2 nd quarter of 2017/18 Financial year	
CoM 127	Hazyview PT Facility	Hazyvie w	1	R10 000 000	R1 000 000	0	Number of Designs for Hazyview PT Facility completed	1 Design for Hazyview PT Facility completed	Design report for Hazyview PT Facility	R438 750	No	0 Design for Hazyview PT Facility completed	Delays due to long engagement processes with transport operators. Designs to be finalised by the 2nd quarter of	To fast track engagement process with taxi operators.	

IDP Number	Project Description	Location	Ward	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/17 Annual Target	Means of Verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variations (deviation)	Plans to address non-achievement and timeframes	
											Yes	No				
						ed									preliminary design report is in place	2017/2018 financial year
Development Priority: Community Development																
CoM 103	Construction of Pedestrian Bridges in Wards 7,8 & 9 Phase 1	Mganduzweni	9	R7 210 001	R5 710 01	0	Number of contractors appointed	1 contractor appointed	Appointment letter	R0	No	0 contractor appointed	Project reprioritised due to funding constraints	Project reprioritised for implementation during the 2017/2018 financial year		
CoM 104	Construction of Pedestrian Bridges in Wards 4, 10 11, 31, 32, & 35 Phase 1	Clau-Clau,	10, 4	R12 438 255	R7 500 00	0%	% of construction of Pedestrian Bridge completed	45% of construction of Pedestrian Bridge completed	Progress report	R1 124 873.58	Yes	45% of construction of Pedestrian Bridge completed	N/A	N/A		

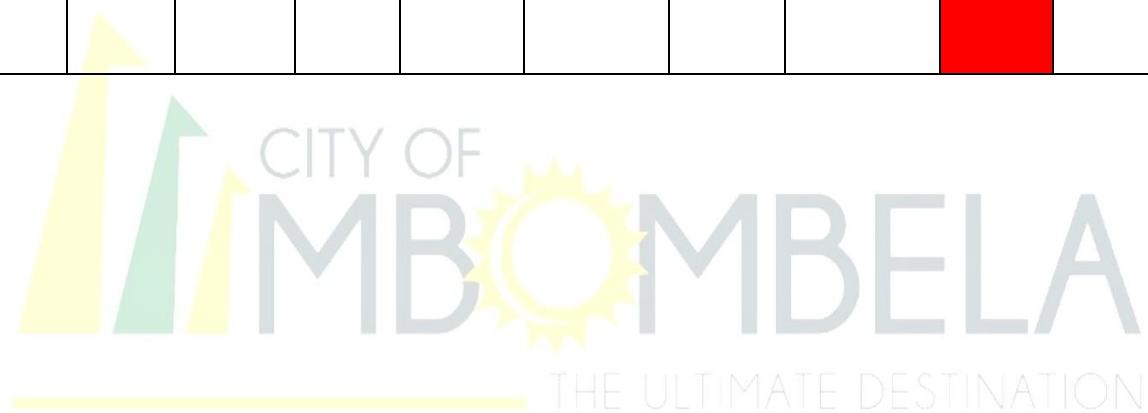
IDP Number	Project Description	Location	Ward	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/17 Annual Target	Means of Verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variations (deviation)	Plans to address non-achievement and timeframes
											Yes	No			
CoM 252	Construction of Pedestrian Bridges in Wards 4, 10 11, 31, 32, & 35 Phase 1	Zwelish a	10, 4			0%	% of construction of Pedestrian Bridge completed	40% of construction of Pedestrian Bridge completed	Progress report	R4 255 965	Yes		57% of construction of Pedestrian Bridge completed	Program revised due to the availability of resources	N/A
CoM 105	Construction of Pedestrian Bridges in Wards 14, 22, 26 & 27 Phase 1	Matsulu	22,27	R7 500 000	R7 500 000	0%	% of construction of Pedestrian Bridge completed	75% of construction of Pedestrian Bridge completed	Progress report	R4 255 965	No		64% of construction of Pedestrian Bridge completed	Delays due late payment of contractor and community unrest.	The department to closely monitor the contractor to ensure that target is achieved by the end of the 2nd quarter of 2017/18 Financial year
CoM 199	Upgrading of Matsulu Sports facilities	Matsulu	27,28	R2 000 000	R200 43 6	0	Number of Designs for Matsulu Sports facilities completed	1 Design for Matsulu Sports facilities completed	Design report of Matsulu Sports facilities	R0	Yes		1 Design for Matsulu Sports facilities completed	N/A	N/A

IDP Number	Project Description	Location	Ward	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/17 Annual Target	Means of Verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variations (deviation)	Plans to address non-achievement and timeframes	
											Yes	No				
CoM 200	Upgrading of Emjindini sports stadium	Spearville (Ext 3)	7	R840,000	R250 000	No designs for Emjindini sports stadium upgrade	Number of Designs for Emjindini sports stadium completed	1 Design for Emjindini sports stadium	Design Report for Emjindini sports stadium	R0	Yes		1 Design for Emjindini sports stadium completed	N/A	N/A	
CoM 253	Construction of Sifunindlela community hall	Sifunindlela	35	R0	R150 000	0	Number of Designs for Sifunindlela community hall completed	1 Design for Sifunindlela community hall	Design Report of Sifunindlela community hall	R0	Yes		1 Design for Sifunindlela community hall completed	N/A	N/A	
CoM 254	Construction of Hazyview-Sandriver community hall	Sandriver	25	R0	R200 000	0	Number of Designs for Hazyview - Sandriver community hall complete	1 Design for Hazyview-Sandriver community hall	Design Report of Hazyview-Sandriver community hall	R0	Yes		1 Design for Hazyview-Sandriver community hall completed	N/A	N/A	

IDP Number	Project Description	Location	Ward	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/17 Annual Target	Means of Verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variations (deviation)	Plans to address non-achievement and timeframes	
											Yes	No				
						d										
CoM 266	Construction of Phola Community Hall	Phola	5	Rollover	R5 501 592	0	Number of community halls completed	1 community hall completed	Completion certificate	R1 348 983.68	No	0 community hall has been completed	Delays due to relocation of site and approval of the variation order. However the project is 85% complete	Subject to variation order approval the project will be fast tracked to ensure that is achieved by 2 nd quarter of 2017/2018 financial year		
CoM 267	Construction of Nkomeni/Ermelo Community Hall	Nkomeni / Part of Ermelo	11	R4 517 753	R7 017 753	0	Number of community halls completed	1 community hall completed	Completion certificate	R6 560 462.07	Yes	1 community hall completed	N/A	N/A		
CM1 52	Development of Nkambeni Cemetery	Nkambeni	25	R2 450 000	R413 944	0	Number of Contractors appointed for Nkambeni Cemetery	1 contractor appointed for Nkambeni Cemetery	Completion certificates	R0	No	0 contractor appointed for Nkambeni Cemetery	Delays due to change of procurement strategy from conventional to in-house sourcing	Project has been reprioritised		
CoM	Ablution and	Instituti	Instituti	R500	R100 00	0	Number of consultant	1 of consultant	Appointment	R0	Yes	1 Consultant	N/A	N/A		

IDP Number	Project Description	Location	Ward	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/17 Annual Target	Means of Verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variations (deviation)	Plans to address non-achievement and timeframes
											Yes	No			
166	Change Room Facilities at Hazyview	onal	onal	000	0		s appointed	appointed	letter				appointed		
CoM 279	Ablution and Change Room Facilities at Mbombela Nursery	Institutional	Institutional	R1 008 772	R858 772	0	Number of consultants appointed	1 consultant appointed	Appointment letter	R0	Yes		1 Consultant appointed	N/A	N/A
CoM 280	Upgrade of existing mechanical workshop	Institutional	Institutional	R3 500 000	R2 500 000	1 dilapidated workshop	Number of contractors appointed	1 contractor appointed	Appointment letter	R1 200 387.39	Yes		1 contractor appointed	Construction at 20 %	N/A
CoM 281	Construction of Matsulu Fire Station	Matsulu	28	R4 000 000	R5 500 000	0	Number of fire stations completed	1 fire station completed	Completion certificate	R2 795 559.31	Yes		1 fire station completed	N/A	N/A
CoM 264	Upgrade of Ablution and	Institutional	Institutional	R0	R500 000	2 old ablution facilities	Number of consultants	1 consultant appointed	Completion Certificate	R0	No		0 consultant has been appointed	Project reprioritised due to funding constraints	Project to be implemented during the 2017/18 financial

IDP Number	Project Description	Location	Ward	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/17 Annual Target	Means of Verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variations (deviation)	Plans to address non-achievement and timeframes	
											Yes	No				
	Change Room Facilities: Solid Waste Management					s	appointed						Red			year



Operating Projects

IDP Number	Project Description	Location	Ward	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/17 Annual Target	Means of Verification	Actual budget spent	Was the target achieved	Actual performance for 2016/17	Reason for non-achievement and variations (deviation)	Plans to address non-achievement and timeframes		
															Yes	No
Development Priority: Community Development																
CM158	Fencing of Cemeteries	33 & 26	Pienaar Old Cemetery & Tekwane North	R2 000 000	R1 973 000	0	Number of contractors appointed	1 contractor appointed	Appointment Letter	R 0	No	0 contractor has been appointed	Delays in sourcing additional funds for professional fees	A resolution to do the project in-house and cut professional fees was taken.		
CM170	Upgrade of Ablution Facilities Parks	15	Mbombelala	R1 000 000	R100 000	0	Number of consultants appointed	1 consultant appointed	Appointment letter	R 0	No	0 consultants have been appointed	Project reprioritised due to funding constraints	Project to be implemented during the 2017/18 financial year		
Development Priority: Good Governance and Institutional Development																
CM48	MIG Planning and support PIU	Institutional	Institutional	R16 532 950	R26 247 795	12	Number of Monitoring and Evaluation meetings held	12 Monitoring and Evaluation meetings held	Attendance registers	R26 247 795	Yes	12 Monitoring and Evaluation meetings held	N/A	N/A		

3.1.3 Roads and Storm Water

The Annual Performance of the section is summarised as follows:

Department/Unit	Total number of targets	Number of achieved targets (100% success)	Number of targets not achieved
Roads and Storm Water	18	12	6
Percentage	100%	67%	33%

IDP Number	Project Description	Location	Ward	2016/2017 Original Budget	2016/2017 Adjustment Budget	Baseline	Key Performance Indicator	2016/17 Annual Target	Means of Verification	Actual budget spent	Was the target achieved	Actual performance for 2016/17	Reason for non-achievement and variations (deviations)	Plans to address non-achievement and timeframes
											Yes			
Development Priority: Roads and Storm Water														
CoM78	Construction Lemoen Street (100m x 7m)	White River	30	R500 000	R285 000	0	Metres of Lemoen Street constructed	100 metres of Lemoen Street constructed	Completion certificate	R284 102	Yes	100 metres of Lemoen Street constructed	N/A	N/A
CoM82	Construct speed humps (45 Wards)	Various areas	All wards	R780 000	R780 000	90 speed humps	Number of speed humps constructed	90 speed humps constructed	Completion Certificate	R 777 937	Yes	90 speed humps constructed	N/A	N/A

IDP Number	Project Description	Location	Ward	2016/2017 Original Budget	2016/2017 Adjustment Budget	Baseline	Key Performance Indicator	2016/17 Annual Target	Means of Verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variations (deviations)	Plans to address non-achievement and timeframes
											Yes	No			
CoM86	Hazyview 7 & 8 : Upgrade and extend storm water system to stream to prevent erosion of private property	Hazyview	1	R470 000	R470 000	0	Metres of stormwater pipes installed	460 metres of storm water pipes installed	Completion Certificate	R 410 502	Yes		460 metres of storm water pipes installed	N/A	N/A
CoM87	Ferreira Street and Enos Mabuza Dr: Intersections and road upgrading in compliance with road safety audit	Mbombela	17	R5 500 000	R3 100 000	Narrow intersection	Meters of widening of Dr Enos Mabuza Drive completed	530 Meters of widening of Dr. Enos Mabuza Drive completed	Completion certificate	R 1 212 915	No		0 Meters of widening of Dr Enos Mabuza Drive completed	Pre-mix delayed due outstanding BAC approval of the 3 year tender. However 530 meters of widening completed without the pre-mix layer (tar)	Engage Supply Chain Management to fast track the approval of the 3 year tender. The project will be completed in the 2 nd quarter of 2017/2018 financial year
							Number of traffic lights and number of turning circles installed	2 traffic lights and 2 turning circles installed	Completion Certificate	R0	No		0 traffic lights and 2 turning circles installed	Delays in procurement processes	Project reprioritised for 2017/2018 financial year. Issue new tender in 2017/18. Funds are available

IDP Number	Project Description	Location	Ward	2016/2017 Original Budget	2016/2017 Adjustment Budget	Baseline	Key Performance Indicator	2016/17 Annual Target	Means of Verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variations (deviations)	Plans to address non-achievement and timeframes
											Yes	No			
Development Priority: Public Transport															
CoM109	KaapscheHoop Rd widening to 4 lanes: Construction (Phase 1 & 2)	West Acres	14,16	R5 000 000	R13 665498	Collapsed road	% of Phase 1 of 260 metres of 5 lane road reconstructed	100% of Phase 1 of 260 metres of 5 lane road reconstructed	Completion Certificate	R12 573 705	Yes		100 % of Phase 1 of 260 metres of 5 lane road reconstructed	N/A	N/A
CoM111	Complete construction of bus route and culverts between Tekwane North and Msogwaba (Multi-Year project)	Tekwane North, Msogwaba	26	R7 000 000	R8 128 964	2 old Low level culverts	Number of culverts installed	2 Culverts installed	Completion Certificate	R7 977 832	Yes		2 Culverts installed	N/A	N/A
						New road	Metres of road constructed	540 metres of road constructed	Completion Certificate		Yes		540 metres of road constructed	N/A	N/A
CoM112	Upgrade intersection of roads D636 / D2296 (Karino)	Karino	18	R7 070 850	R8 875 300	53 %	% of upgrade of Karino Intersection completed	100% of upgrade of Karino Intersection completed	Completion Certificate	R8 749 191	Yes		100% of upgrade of Karino Intersection completed	N/A	N/A
CoM265	N:West Acres Storm Water Refurbishment Phase 1	15	West Acres	R0 (Roll over)	R1 290 000	620m (system collapsed)	Meters of pipeline installed	620 m of pipeline installed	Completion certificate	R 1 289 066	Yes		620 m of pipeline installed	N/A	N/A

IDP Number	Project Description	Location	Ward	2016/2017 Original Budget	2016/2017 Adjustment Budget	Baseline	Key Performance Indicator	2016/17 Annual Target	Means of Verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variations (deviation)	Plans to address non-achievement and timeframes
											Yes	No			
	Construction														

Operating Projects

IDP Number	Project Description	Location	Ward	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/17 Annual Target	Means of Verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variations (deviation)	Plans to address non-achievement and timeframes
											Yes	No			
Development Priority: Roads and Storm water															
CM20	Resealing of roads	Institutional	Institutional	R14 000 000	R8 000 000	240 000 m ² resealed 2015/16	Square metres (m ²) of roads resealed	130 000 m ² of roads resealed	Completion certificate	R0	No		0m ² of roads resealed	Delay due to procurement processes	Project reprioritised for 2017/2018 financial year
CM179	Resealing of roads in Umjindi	Umjindi	Institutional	R900 000	R1 900 000	0m ² Resealed in 2015/16	M ² of roads resealed	40 000 m ² of roads resealed	Completion Certificate	R0	No		0 m ² of roads resealed	Delay due to procurement processes	Project reprioritised for 2017/2018 financial year
CM21	Roads master plan (RMP)	Institutional	Institution	R1 000 000	R1 000 000	1	Number of Roads	1 Roads Master	Updated RMP	R999 998	Yes		1 Roads Master	N/A	N/A

IDP Number	Project Description	Location	Ward	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/17 Annual Target	Means of Verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variations (deviations)	Plans to address non achievement and timeframes
											Yes	No			
	updating and aligning with SDF		al				Master Plans (RMP) updated	Plan (RMP) updated	Report				Plan (RMP) updated		
CM22	Determine 1:100 Year flood lines (Phase 5)	Institutional	Institutional	R900 000	R900 000	130 km Phases 1 - 4	Kilometres of Flood Lines determined phase 5	80 km of Flood Lines determined Phase 5	Report	R899 600	Yes		80 km of Flood Lines determined Phase 5	N/A	N/A
CM23	Compilation of As-built Storm water plans phase 2	Institutional	Institutional	R1 000 000	R1 000 000	Limited information on existing stormwater infrastructure	Number of As-built reports for the Eastern Areas compiled	1 As-built report for the Eastern Areas compiled	Report	R826 914	Yes		1 As-built report for the Eastern Areas compiled	N/A	N/A

IDP Number	Project Description	Location	Ward	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/17 Annual Target	Means of Verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variations (deviations)	Plans to address non achievement and timeframes	
											Yes	No				
CM24	Review pedestrian bridge priorities. Add overhead pedestrian bridges and vehicle bridges	Institutional	Institutional	R1 000 000	R300 000	1	Number of consultants appointed for review and update of Pedestrian Bridges (Level and overhead) and vehicle bridges list	1 consultant appointed for review and update of Pedestrian Bridges (Level and overhead) and vehicle bridges list	Appointment letter	R0	No	0 consultant appointed for review and update of Pedestrian Bridges (Level and overhead) and vehicle bridges list	Delays in procurement processes	Project reprioritised for 2017/2018 financial year		
Development Priority: Good Governance and Public Participation																
CoM221	Upgrading of workshops	Institutional	Institutional	R100 000	R100 000	Dilapidated workshop	% of roof repair of White River workshop completed	100% of roof repair of White River	Completion Certificate	R0 Work done by original contractor free	Yes	100% of roof repair of White River workshop	N/A	N/A		

IDP Number	Project Description	Location	Ward	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/17 Annual Target	Means of Verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variations (deviations)	Plans to address non achievement and timeframes
											Yes	No			
							Number of toilet facilities constructed at Matsulu Workshop	1 toilet facility constructed at Matsulu Workshop	Completion Certificate	R 43 870	No	0 toilet facility constructed at Matsulu Workshop	Delays in procurement processes. However construction is at window level	Engage Supply Chain to finalise outstanding orders and pay outstanding invoices. Project will be achieved in the 2nd quarter of 2017/2018 financial year	

3.1.4 Expanded Public Works Programme

The Annual Performance of the section is summarised as follows:

Department/Unit	Total number of targets	Number of achieved targets (100% success)	Number of targets not achieved
Expanded Public Works Programme	1	1	0
Percentage	100%	100%	0%

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved	Actual performance for 2016/17	Reason for non-achievement and variations (deviations)	Plans to address non-achievement and timeframes
											Yes			
Development Priority: Good Governance and Public Participation														
CM13	Facilitation of the Local EPWP Project Steering Committee meeting	Institutional	Institutional	R30 000	R55 704	2 meetings held	Number of meetings held	4 meetings held	Attendance register	R 13 700	Yes	4 meetings held	N/A	N/A

3.1.5 Public Transport Operations

The Annual Performance of the section is summarised as follows:

Department/Unit	Total number of targets	Number of achieved targets (100% success)	Number of targets not achieved
Public Transport Operations	4	2	2
Percentage	100%	50%	50%

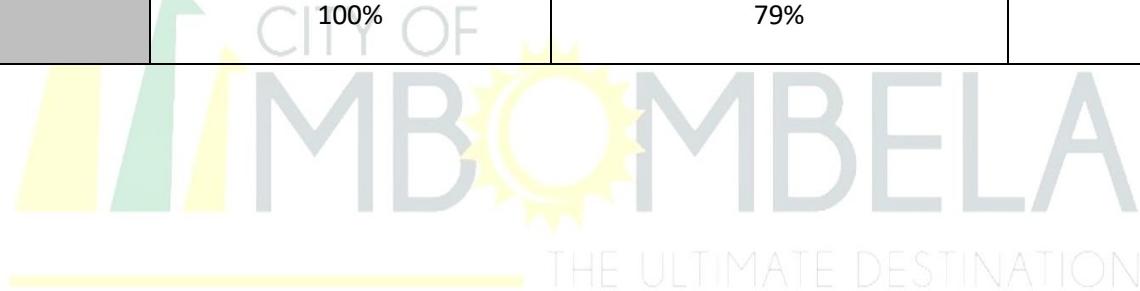
IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved	Actual performance for 2016/17	Reason for non-achievement and variations (deviations)	Plans to address non-achievement and timeframes	
												Yes			
Development Priority: Good Governance and Community Development															
CoM189	Installation of Carports at Mbombela Taxi rank	Institutional	Institutional	R150 000	R134 600	0	Number of Carports installed at Mbombela Taxi Rank	6 Carports installed at Mbombela Taxi Rank	Completion certificate	R143 118.34	Yes	6 Carports installed at Mbombela Taxi Rank	N/A	N/A	
CM163	Public transport Facility Maintenance	Institutional	Institutional	R1 000 000	R577 291	6	Number of Public Transport facility maintenance programs conducted	8 Public Transport facility maintenance programs conducted	Maintenance plan/Reports	R353 436.68	No	5 Public Transport facility maintenance programs conducted	Cashflow constraints	Project reprioritised	

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variations (deviation)	Plans to address non-achievement and timeframes	
											Yes	No				
Development Priority: Good Governance and Community Development																
CM18 1	Transport Forum Meetings	Institutional	Institutional	RO	RO	4	Number of transport forum meetings conducted	3 transport forum meetings conducted	Minutes	RO	No	1 transport forum meeting conducted	None availability of stakeholders	Meetings to be incorporated into the 2017/18 financial year		
CM18 2	Improved stakeholders relations (Public Transport)	Institutional	Institutional	RO	RO	4	Number of stake holder meetings conducted	4 stake holder meetings conducted	Minutes	RO	Yes	4 stake holder meetings conducted	N/A	N/A		

3.2 Energy

The Annual Performance of the department is summarised as follows:

Department/Unit	Total number of targets	Number of achieved targets (100% success)	Number of targets not achieved
Office of the General Manager	3	3	0
Electrical Services	16	12	4
Total	19	15	4
Percentage	100%	79%	21%



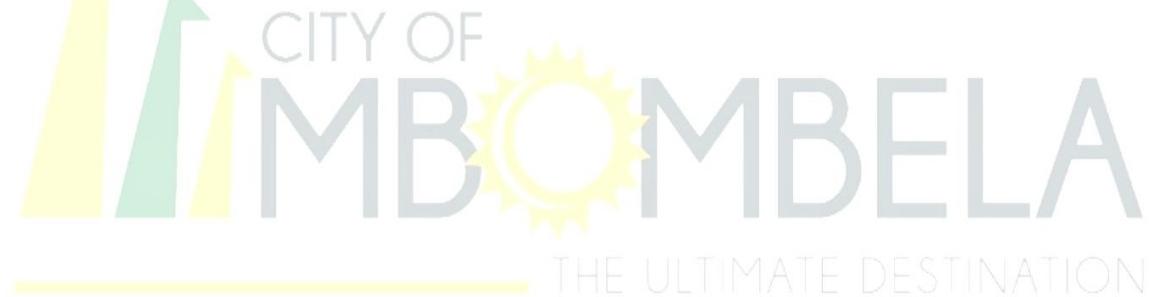
3.2.1 Office of the General Manager

The Annual Performance of the section is summarised as follows:

Department/Unit	Total number of targets	Number of achieved targets (100% success)	Number of targets not achieved
Office of the General Manager	3	3	0
Percentage	100%	100%	0%

IDP Number	Project Description	Location	Ward	2016 /2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/17 Annual Target	Means of Verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variations (deviation)	Plans to address non-achievement and timeframes	
											Yes	No				
Development Priority: Good Governance and Public Participation																
CM254	Risks Mitigation	Institutional	Institutional	R0	R0	3	Number of Risk progress reports submitted	3 risk mitigation progress reports submitted	Reports	R0	Yes	3 risk mitigation progress reports submitted	N/A	N/A		

IDP Number	Project Description	Location	Ward	2016 /2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/17 Annual Target	Means of Verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variations (deviation)	Plans to address non-achievement and timeframes
											Yes	No			
CM255	Departmental Review Sessions	Institutional	Institutional	R0	R0	4	Number of departmental performance review sessions conducted	1 departmental performance review session conducted	Attendance Register	R0	Yes	1 departmental performance review session conducted	N/A	N/A	



3.2.2 Electrical Services

The Annual Performance of the section is summarised as follows:

Department/Unit	Total number of targets	Number of achieved targets (100% success)	Number of targets not achieved
Electrical Services	16	12	4
Percentage	100%	75%	25%

IDP Number	Project Description	Location	Ward	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/17 Annual Target	Means of Verification	Actual budget spent	Was the target achieved	Actual performance for 2016/17	Reason for non-achievement and variations (deviation)	Plans to address non-achievement and timeframes	Yes	No	
															Yes	No	
Development Priority: Electricity supply management																	
CoM130	Upgrade of West Acres 8 and No.2 Substations	West Acres; Valencia	15 & 16	R6 114 111	R6 114 111	11 old switch gear panels	Number of switch gear panels Installed	11 switch gear panels Installed	Completion Certificate	R5 427 910.23	Yes	11 switch gear panels installed	N/A	N/A			
CoM131	Ehmke II Switching Station	Mbombela	17	R4 100 000	R4 080 000	1 switching station	Number of Switching Stations built	1 Switching station built	Completion certificate	R4 080 000	Yes	1 switching station built	N/A	N/A			

IDP Number	Project Description	Location	Ward	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/17 Annual Target	Means of Verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variations (deviation)	Plans to address non-achievement and timeframes
											Yes	No			
CoM132	Upgrade of Valencia Park Substation	Valencia	17	R5 484 374	R8 262 557	0	Number of Transformers installed	1 Transformer installed	Completion Certificate	R6 288 112.16	Yes		1 Transformer installed	N/A	N/A
CoM133	Steiltes Electricity Supply (Phase 2)	Steiltes, Valencia, West Acres	14, 15 & 17	R2 700 000	R4 635 920	1 unreliable supply line	Number supply lines upgraded	1 supply line upgraded (Delta to Steiltes to West Acres)	Completion Certificate	R2 293 369	Yes		1 supply line upgraded (Delta to Steiltes to West Acres)	N/A	N/A
CoM239	Meter Replacement Programme	Mbombela; White River, Hazyview	1; 14-17; 30	R4 054 002	R554 002	New project, no baseline	Number of reports produced on investigated meters	2 reports produced on investigated meters	Reports	R1 213 570	Yes		2 reports produced on investigated meters	N/A	N/A

Operating Projects

IDP Number	Project Description	Location	Ward	2016/2017 Original Budget Estimate	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/17 Annual Target	Means of Verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variations (deviation)	Plans to address non-achievement and timeframes
											Yes	No			
Development Priority: Electricity supply management															
CM134	Protection System Audit & Projects	Institutional	Institutional	R2 239 409	R2 239 409	0	Number of substations audited	11 Substations Audited	Completion Certificate and Audit Report	R1 703 503	Yes	11 Substations Audited	N/A	N/A	
CoM134	Electrification of 3000 Households in Msholozi Township (Construction)	Msholozi	14	R5 896 491	R5 896 491	0	Number of households connected	600 Households Connected	Completion Certificate	R5 493 451.98	Yes	630 households connected	30 additional houses connected	N/A	
CoM159	Electrification of 60 households at Shelangubo	Shelangubo	43	R1 365 000	R1 365 000	0	Number of households connected	60 households connected	Completion certificate	R1 025 615.26	Yes	74 Households and 1 community hall connected	14 new additional houses and 1 community hall was identified and connected during construction within allocated budget	N/A	

IDP Number	Project Description	Location	Ward	2016/2017 Original Budget Estimate	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/17 Annual Target	Means of Verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variations (deviations)	Plans to address non-achievement and timeframes
											Yes	No			
Development Priority: Electricity supply management															
CoM160	Electrification of 50 households at Hanging Stone	Hanging Stone	41	R1 365 000	R1 365 000	0	Number of households connected	50 households connected	Completion certificate	R1 193 863.40	No	32 Households connected	18 houses incomplete and therefore could not be connected	Remaining household will be monitored and reprioritised	
CoM161	Electrification of 90 households at Ext 17	Ext 17	45	R1 370 00	R1 370 00	330 households connected	Number of households connected	90 households connected	Completion certificate	R1 137 152.63	Yes	90 households connected	N/A	N/A	
CoM255	Electrification of 286 households in Matsulu	Mathuneni village in Matsulu	27	R3 500 000	R3 500 000	0	Number of households connected	286 Households Connected	Completion Certificate	R2 289 230	No	0 Households Connected	Delays due to conflict of identified areas by Traditional Authority and Ward Councillor. However the construction of Low and Medium Voltage lines have been completed	Conflict resolved. Project to be completed by the end of first quarter of 2017/2018 financial year	

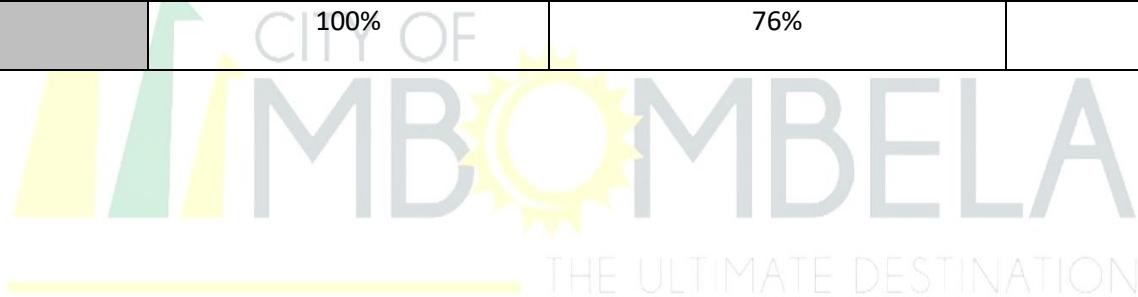
IDP Number	Project Description	Location	Ward	2016/2017 Original Budget Estimate	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/17 Annual Target	Means of Verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variations (deviations)	Plans to address non-achievement and timeframes
											Yes	No			
Development Priority: Electricity supply management															
CoM162	Electrification of 30 households at Castlekop	Castlekop	45	R900 000	R900 000	0	Number of households connected	30 households connected	Completion certificate	R853 876.13	Yes	30 Households connected	N/A	N/A	
CoM256	Electrification of 64 households at Esperado	Esperado	43	R0	R1 216 000	0	Number of households connected	64 households connected	Completion certificate	R399 929	No	0 households connected	Delays in delivery of meters. However the construction of Low and Medium Voltage lines have been completed	Material for house connections (Meters) ordered. Project to be completed on the first quarter of 2017/2018 financial year	
CoM257	Electrification of 530 households at Tekwane North (RDP)	Tekwane North	26	R 2 000 000	R 3 000 000	0	Number of households connected	477 households connected	Completion certificate	R2 999 999.42	No	0 households connected	Delays due to budget constraints. However the construction of Low and Medium Voltage lines have been	Budget allocated for 2017/2018 and project will be completed on the second quarter of the 2017/2018 financial	

IDP Number	Project Description	Location	Ward	2016/2017 Original Budget Estimate	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/17 Annual Target	Means of Verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variations (deviations)	Plans to address non-achievement and timeframes	
											Yes	No				
Development Priority: Electricity supply management																
															completed	year
CoM258	EEDSM: Public Lighting Retrofit(LED Technology)	Matsulu, Kanyamazane	13, 18, 19, 20, 21, 27, 28,	R 0	R5 959 132	56 High Masts retrofitted with efficient lighting technology (LED)	Number of High Masts retrofitted with efficient lighting technology (LED)	22 High Masts retrofitted with efficient lighting technology (LED)	Completion certificate	R2 629 135.18	Yes	22 High Masts retrofitted with efficient lighting technology (LED)		N/A	N/A	
CM31	Meter Audit	Mbombela City; White River & Hazyview	1; 14; 15; 16; 17 & 30	R4 259 585	R4 247 585	0	Number of meters audited	3 500 meters audited	Audit reports	R3 385 509.82	Yes	3998 meters audited	An additional 498 meters were identified during audit	N/A	N/A	

3.3 Water & Sanitation

The Annual Performance of the department is summarised as follows:

Department/Unit	Total number of targets	Number of achieved targets (100% success)	Number of targets not achieved
Office of the General Manager	3	3	0
Water and Sanitation	43	32	11
Total	46	35	11
Percentage	100%	76%	24%



3.3.1 Office of the General Manager

The Annual Performance of the section is summarised as follows:

Department/Unit	Total number of targets	Number of achieved targets (100% success)	Number of targets not achieved
Office of the General Manager	3	3	0
Percentage	100%	100%	0%

IDP Number	Project Description	Location	Ward	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/17 Annual Target	Means of Verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variations (deviation)	Plans to address non-achievement and timeframes	
											Yes	No				
Development Priority: Good Governance and Institutional Development																
CM256	Risks Mitigation	Institutional	Institutional	R0	R0	3	Number of Risk progress reports submitted	3 risk mitigation progress reports submitted	Reports	R0	Yes	3 risk mitigation progress reports submitted	N/A	N/A		
						1	Number of Action Plans developed	1 Action Plan developed	Action Plan	R0	Yes	1 Action Plan developed	N/A	N/A		

IDP Number	Project Description	Location	Ward	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/17 Annual Target	Means of Verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variations (deviation)	Plans to address non-achievement and timeframes	
											Yes	No				
Development Priority: Good Governance and Institutional Development																
CM257	Departmental Review Sessions	Institutional	Institutional	R0	R0	4	Number of departmental performance review sessions conducted	1 department performance review session conducted	Attendance Register	R0	Yes	1 department performance review session conducted	N/A	N/A		



3.3.2 Water and Sanitation

The Annual Performance of the section is summarised as follows:

Department/Unit	Total number of targets	Number of achieved targets (100% success)	Number of targets not achieved
Water and Sanitation	43	32	11
Percentage	100%	74%	26%

IDP Number	Project Description	Location	Ward	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/17 Annual Target	Means of Verification	Actual budget spent	Was the target achieved	Actual performance for 2016/17	Reason for non-achievement and variations (deviation)	Plans to address non-achievement and timeframes
				Yes	No									
Development Priority: Water Supply														
CoM 04	Nsikazi North water reticulation scheme	Shabalala, Manzini, Phola, Salubindza, Sand River, Nyongane	1, 5, 6, 7, 9, 25, Part of 39	R9 186 850	R4 000 000	No water reticulation infrastructure	Kilometres of water reticulation pipe installed	1 kilometre of Water Reticulation pipe installed	Completion Certificate	R1 925 052.53	No	0 kilometre of Water Reticulation pipe installed	Delay in Finalising Procurement Processes to appoint a Contractor. However some of the materials have been procured to save escalating costs	Supply Chain to fast-track the appointment of a service provider. The target will be achieved in the 2 nd quarter of 2017/18 financial year

IDP Number	Project Description	Location	Ward	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/17 Annual Target	Means of Verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variations (deviation)	Plans to address non-achievement and timeframes	
											Yes	No				
CoM 05	Nsikazi South water reticulation scheme	2,4,21, 22,23,2 6,29,32 ,33	Emoyeni , Lihawu, Daantjie, Msogwaba, Kabokweni, Dwaleni, Zwelisha ,Zwelishana	R9 186 850	R4 000 000	No water reticulation infrastructure	Kilometres of water reticulation pipe installed	1 km of Water Reticulation pipe installed	Completion Certificate	R2 398 515.64	No	0 km of Water Reticulation pipe installed		Delay in Finalising Procurement Processes to appoint a Contractor. However some of the materials have been procured to save escalating costs	Supply Chain to fast-track the appointment of a service provider. The target will be achieved in the 2 nd quarter of 2017/18 financial year	
CoM 06	Additional 3.5MI reservoir for Phumlani	Phumlani / Msholozzi	14	R7 000 000	R2 500 000	Designs for Additional 3.5MI	Metres of new Bulk Supply Line installed	100 Metres of new Bulk Supply Line installed	Completion Certificate	R5 271 316.06	Yes	280 Metres of bulk supply		Contractor accelerated the work (Multi-year project)	N/A	

IDP Number	Project Description	Location	Ward	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/17 Annual Target	Means of Verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variations (deviation)	Plans to address non-achievement and timeframes
											Yes	No			
	and associated infrastructure					reservoir for Phumlani in place							lines installed		
CoM 10	Upgrade of Additional 3.5 ML Reservoir and Bulk Water Supply in Hillsview	White River	30	R500 000	R 500 000	0	Number of Designs for Hillsview Reservoir completed	1 Design for Hillsview Reservoir Completed	Design Report for Hillsview Reservoir	R499 985.25	Yes		1 Design for Hillsview Reservoir Completed	N/A	N/A
CoM 10	White River Complex Reservoir 3 ML	White River	30	R500 000	R 500 000	0	Number of Designs for White River Complex Reservoir completed	1 Design for White River Complex Reservoir Completed	Design Report White River Complex Reservoir	R432 206.50	Yes		1 Design for White River Complex Reservoir Completed	N/A	N/A
CoM 17	Procurement of Laboratory equipment	Institutional	Institutional	R1 000 000	R808 780	Old equipment	Number of portable laboratory equipment and sets of consumables purchased	7 laboratory equipment and 4 sets of consumables purchased	Delivery Note	R738 715.40	Yes		9 laboratory equipment and 4 sets of consumables purchased	2 additional equipment (PC and Printer) were purchased within the allocated budget	N/A

IDP Number	Project Description	Location	Ward	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/17 Annual Target	Means of Verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variations (deviation)	Plans to address non-achievement and timeframes
											Yes	No			
CoM 20	Refurbishment of White River WTW and Country Estate WTW	White River	30	R4 000 000	R3 508 772	Dilapidated Infrastructure	Number of components refurbished	4 components refurbished	Completion Certificate	R2 858 250.48	Yes		4 components refurbished	N/A	N/A
CoM 21	Refurbishment of WTW in Hazyview	Hazyview	1	R2 000 000	R2 261 579	Dilapidated Infrastructure	Number of components refurbished	3 components refurbished	Completion Certificate	R2 714 285.71	Yes		3 components refurbished	N/A	N/A
CoM 23	Refurbishment of Water Network, AC Replacement and Booster Pump Station in White River and Rocky's Drift	White River	30	R4 000 000	R 3 508 772	Dilapidated Infrastructure	Kilometres of pipeline replaced with Plastic pipe	1.4 Kilometre of pipeline replaced with Plastic pipe	Completion Certificate	R3 883 103	Yes		1.4 Kilometre of pipeline replaced with Plastic pipe	N/A	N/A

IDP Number	Project Description	Location	Ward	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/17 Annual Target	Means of Verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variations (deviation)	Plans to address non-achievement and timeframes
											Yes	No			
CoM 24	Refurbishment of Water Network, AC Replacement and Booster Pump Station in Hazyview	Hazyview	1	R3 107 895	R 2 726 224	No retaining wall	Number of Retaining Walls constructed at Hazyview Raw Water Pump Station	1 Retaining Wall constructed at Hazyview Raw Water Pump Station	Completion certificate	R 3 288 796.74	Yes		1 Retaining Wall constructed at Hazyview Raw Water Pump Station	N/A	N/A
CoM 26	Refurbishment of Kanyamazane to Pienaar Bulk Line (Valves, Damage to pipelines, Chambers, etc.)	Kanyamazane, Pienaar	2,4,10,11,18,19,20,21,22,23,24,26,2931,32,33,35,39	R3 200 000	R 2 807 018	12 dilapidated valves	Number of valves replaced	12 valves Replaced	Completion Certificate	R 2 954 880.00	Yes	13 valves Replaced	1 additional valve was replaced and 13 areas of unauthorised connection were fixed	N/A	

IDP Number	Project Description	Location	Ward	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/17 Annual Target	Means of Verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variations (deviation)	Plans to address non-achievement and timeframes
											Yes	No			
CoM 27	Refurbishment of Package Plants (Mshadza, Majika, Mganduzweni)	Phola, Majika & Mganduzweni	5, 9, 25	R5 500 000	R 5 701 754	Dilapidated Infrastructure	Number of components refurbished	3 components refurbished	Completion Certificate	R4 865 889.33	No	0 components refurbished	Delay in finalising procurement Processes to appoint a Contractor. However some of the materials have been procured to save escalating costs and contractor has been appointed	Provision has been made that the project be completed in the 2 nd quarter of 2017/18 financial year	

IDP Number	Project Description	Location	Ward	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/17 Annual Target	Means of Verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variations (deviation)	Plans to address non-achievement and timeframes
											Yes	No			
CoM 30	Upgrade of Phumlani to White river bulk water line	Phumlani	14, 30	R3 000 000	R 438 596	0	Number of Designs for Phumlani to White river bulk water line completed	1 Design for Phumlani to White river bulk water line completed	Design Report for Phumlani to White river bulk water line	R0	Yes		1 Design for Phumlani to White river bulk water line completed	Consulting fee included the finalisation of the procurement stage for the contractor which was not finalised by the end of the financial year, hence the balance of the fees were not paid out	N/A
CoM 31	Refurbishment of Kabokweni Water Network	Kabokweni	33	R5 137 719	R 4 506 771	Dilapidated Water Network	Number of Kilometres of Water Network refurbished	5 kilometres of water network refurbished	Completion Certificate	R4 163 039.12	No		0 kilometres of water network refurbished	Delay in finalising procurement Processes to appoint a Contractor. However some of the materials have been procured to save escalating costs and contractor has been appointed	Provision has been made that the project be completed in the 2 nd quarter of 2017/18 financial year

IDP Number	Project Description	Location	Ward	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/17 Annual Target	Means of Verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variations (deviation)	Plans to address non-achievement and timeframes
											Yes	No			
CoM 32	Makoko 1.5 ML Package Plant	Makoko	37	R4 000 000	R5 277 075	0	Number of Equipment for Package Plant Procured	4 Equipment for Package Plant Procured	Payment certificate	R 4 999 515.84	No	0 Equipment for Package Plant Procured	Delay in finalising procurement Processes to appoint a Contractor. However some of the materials have been procured to save escalating costs and contractor has been appointed	Provision has been made that the project be completed in the 2 nd quarter of 2017/18 financial year	
CoM 40	Backdoor, Mbonisweni, Phathwa - Augmentation line	Backdoor, Mbonisweni, Phathwa	32,38	R2 500 000	R 1 294 771	500 Meters dilapidated Water Reticulation pipe Installed	Meters of Water Reticulation pipe Installed	500 Meters of Water Reticulation pipe Installed	Completion Certificate	R 2 248 463.83	No	0 Meters of Water Reticulation pipe Installed	Delay in finalising procurement Processes to appoint a Contractor. However some of the materials have been procured to save escalating costs and contractor has been appointed	Provision has been made that the project be completed in the 2 nd quarter of 2017/18 financial year	

IDP Number	Project Description	Location	Ward	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/17 Annual Target	Means of Verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variations (deviation)	Plans to address non-achievement and timeframes
											Yes	No			
CoM 66	Emjindini Trust Bulk pipeline, storage and water reticulation	Emjindini Trust	2	R8 000 000	R3 240 374	0	Number of households connected	600 households connected	Completion Certificates	R 1 805 859.68	Yes		600 households connected	N/A	N/A
CoM 68	Upgrading of Barberton: Rimers Creek WTW	Rimers WTW	3,4,5,6,7 ,8,9	R37 959 000	R9 115 676	Dilapidated infrastructure	Number of Components Upgraded for Phase 1 Rimers Creek WTW	3 components upgraded for Phase 1 Rimers Creek WTW	Completion certificate	R 11 874 028.40	Yes		3 components upgraded for Phase 1 Rimers Creek WTW	N/A	N/A
CoM 69	Emjindini Bulk Pipeline, storage and water reticulation	Emjindini Townshipship Ext 15,16,17,18	3,4	R6 008 000	R 2 719 298	0	Number of Household Connected	783 Household Connected	Completion certificate	R 2 045 299.69	Yes		783 Household Connected	N/A	N/A
CoM 70	Barberton and Verulam Bulk pipeline and reservoirs	Barberton, Verulam and Dixie	1, 8	R13 460 000	R5 087 719	1 Reservoir	% of the Reservoir Completed	25% of the Reservoir Completed	Progress Report	R 4 492 638.07	Yes	27.15% of the Reservoir Complete d	Contractor accelerated the work (Multi-year project)	N/A	

IDP Number	Project Description	Location	Ward	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/17 Annual Target	Means of Verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variations (deviation)	Plans to address non-achievement and timeframes
											Yes	No			
CoM 13	Installation Of Back Up Generators	Institutional	Institutional	R3 000 000	R1 800 000	No generators	Number of generators procured	6 generators procured	Payment certificate	R 1 875 084.73	Yes		6 generators procured	N/A	N/A
CoM 268	Refurbish Water Infrastructure Electrical & Mechanical	White River	30	R2 217 782	R2 217 782	Dilapidated waste water treatment works	Number of water infrastructure components refurbished	3 water infrastructure components refurbished	Completion certificate	R 2 353 634	Yes		5 water infrastructure components refurbished	2 more components had to be refurbished to mitigate breakdown of the infrastructure	N/A
Tek wane	Construction of Water Reticulation Kanyamazane Ext 6 (Mhlume)	Kanyamazane X6	21	R5 581 609	R7 583 363	No reticulation infrastructure	Number of kilometres of water pipe line for reticulation installed	5 kilometres of water pipe line for reticulation installed	Completion certificate	R 8 020 092.16	Yes		6.5 kilometres of water pipe line for reticulation installed	The project scope after finalisation of detailed designs covered more areas than initially planned	N/A
CoM 269	Upgrade Of Majika Bulk Water Supply	Ka Majika	25	R311 694	R311 694	No transformer	Number of Electrical Transformers Installed at the Raw Water Pump Station	1 Electrical Transformer Installed at the Raw Water Pump Station	Completion Certificate	R 311 694	Yes		1 Electrical Transformer Installed at the Raw Water Pump Station	N/A	N/A

IDP Number	Project Description	Location	Ward	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/17 Annual Target	Means of Verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variations (deviation)	Plans to address non-achievement and timeframes	
											Yes	No				
CoM 71	Sheba Siding Water Supply & Reticulation	Sheba Siding	45	R17 200 000	R14 605 263	0	Number of Package Plants and Raw Water Pump Stations for Sheba Siding completed	1 Package Plant and 1 Raw Water Pump Station for Sheba Siding completed	Completion Certificate	R 16 635 816.28	Yes		1 Package Plant and 1 Raw Water Pump Station for Sheba Siding completed	Additional work done on the project: bulk line was installed, 628 yard connection and 50 kl steel tank installed	N/A	
CoM 270	Boreholes Augmentation & Storage Programme	Institutional	Institutional	R0 351	R4 140 351	150	Number of Boreholes Drilled	20 Boreholes Drilled	Completion Report	R 5 727 272.73	Yes		21 Boreholes Drilled	Additional borehole was identified and refurbished	N/A	
Development Priority: Sanitation																
CoM 47	Refurbishment of Waste Water Infrastructure Assets	White River	30	R1 500 000	R 2 497 118	Dilapidated sewer infrastructure	Number of components refurbished	4 components refurbished	Completion Cert	R 2 145 639.25	Yes		4 components refurbished	N/A	N/A	
CoM 49	Refurbishment Hazyview	Hazyview	1	R1 245 825	R 1 245 825	Dilapidated Sewer	Number of components	2 components refurbished	Completion Certificate	R 1 183 533.10	Yes		2 components	N/A	N/A	

IDP Number	Project Description	Location	Ward	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/17 Annual Target	Means of Verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variations (deviation)	Plans to address non-achievement and timeframes
											Yes	No			
	WWTW					Infrastructure	refurbished		e				refurbished		
CoM 50	Refurbishment and Upgrade (7.5 ML) of Rocky's Drift WWTW	Rocky's Drift	14	R1 000 000	R 500 000	0	Number of designs for Rocky's Drift WWTW completed	1 design for Rocky's Drift WWTW completed	Design Report	R438 582.78	Yes		1 design for Rocky's Drift WWTW completed	N/A	N/A
CoM 51	Refurbishment and Upgrade of Colthill Bulk Outfall Sewer	White River	30	R1 000 000	R 700 000	0	Number of servitudes registered	1 servitude registered	Servitude Registration on SG Diagram	R635 318	No	0 servitude registered	Property owners not cooperative. Designs have been completed which must now be reviewed	A new route is being assessed. Target to be achieved in the 2 nd quarter of 2017/18 financial year	

IDP Number	Project Description	Location	Ward	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/17 Annual Target	Means of Verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variations (deviation)	Plans to address non-achievement and timeframes
											Yes	No			
CoM 52	Refurbishment and Upgrade of Northern Bulk Outfall Sewer	White River	30	R1 000 000	R 2 631 579	Dilapidated Sewer Infrastructure	Metres of Bulk Sewer Line	200 metres of Bulk Sewer Line	Completion Certificate	R0	No		0 metres of Bulk Sewer Line	Delay in finalising procurement Processes to appoint a Contractor.	Provision has been made that the project be completed in the 2 nd quarter of 2017/18 financial year
CoM 54	Modification of Country Estate Sewer Pump Station (Pebbles)	White River	30	R1 500 000	R 1 700 000	2 old pump stations	Number of Sewer Pumps refurbished	2 Sewer Pumps refurbished	Completion Certificate	R 1 313 809.58	Yes		2 Sewer Pumps refurbished	A new electrical panel was also installed	N/A
CoM 56	Construction of a new Kabokweni sewer pump station, outfall sewer and associated	Kabokweni	33	R3 000 000	R 2 850 000	Dilapidated Sewer Infrastructure	Metres of sewer line constructed	250 metres of bulk sewer line constructed	Completion Certificate	R 2 824 441.19	Yes		400 metres of bulk sewer line constructed	150 metres of additional sewer line had to be constructed to replace damaged line	N/A

IDP Number	Project Description	Location	Ward	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/17 Annual Target	Means of Verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variations (deviation)	Plans to address non-achievement and timeframes
											Yes	No			
	infrastructure														
CoM 259	KaMadakwa Ndlovu Bulk Water Supply And Reticulation	KaMadakwa	41	R 0	R 1 052 632	0	Number of House Holds with Water Yard Connections	200 Households with Water Yard Connections	Completion Certificate	R0		No	0 Households with Water Yard Connections	Business Plans not approved by the Department of Water and Sanitation	Project reprioritised
CoM 260	Verulam Sewer House Connections	Verulam	43	R0	R 2 192 982	0	Number of House Hold with Sewer yard Connection s	200 Households with Sewer yard Connected	Completion Certificate	R0		No	0 Households with Sewer yard Connected	Business Plans not approved by the Department of Water and Sanitation	Project reprioritised
CoM 262	Upgrade and Refurbishment Of Queens River And Suidkaap WTW / Lomati Dam (Multi-	Barberton Prison Farm	41	R0	R4 578 947	Lack of Bulk Water	Number of Boreholes Drilled and Equipped	10 Boreholes Drilled	Completion Certificate	R 4 578 947		Yes	10 Boreholes Drilled	N/A	N/A

IDP Number	Project Description	Location	Ward	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/17 Annual Target	Means of Verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variations (deviation)	Plans to address non-achievement and timeframes	
											Yes	No				
	Year)															
CoM 12	White River/Sand River Construction of Suction Pumpline	White River	30	R2 856 535	R2 856 535	Insufficient capacity of pump line	Kilometres of Pump line Constructed	1.4 Kilometres of Pump line Constructed	Completion certificate	R 2 089 480.52	Yes		1.4 Kilometres of Pump line Constructed	N/A	N/A	
CoM 282	Installation Of Bulk Sewer Line	Barberton ext 9	45	R3 000 000	R2 000 000	Dilapidated Sewer Infrastructure	Metres of Sewer Line Installed	587 metres of Sewer Line Installed	Completion Certificate	R 1 840 326.91	Yes		587 metres of Sewer Line Installed	N/A	N/A	
Development Priority: Revenue Enhancement																
CoM 41	Implementation of Water Conservation & Demand Management Programme	All wards	All wards	R3 547 252	R500 000	5 000 domestic	Number of Bulk meters installed	2 Bulk Water meter installed	Completion Certificate	R194 075.70	No	0 Bulk Water meter installed	Delays in procurement processes. Designs completed.	Supply Chain to fast-track the appointment of a service provider. Targets to be achieved in 2017/18 Financial Year		

IDP Number	Project Description	Location	Ward	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/17 Annual Target	Means of Verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variations (deviation)	Plans to address non-achievement and timeframes
											Yes	No			
															as this is a multi-year project



Operating Projects

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variations (deviations)	Plans to address non-achievement and timeframes	
											Yes	No				
Development Priority: Water Supply																
CM01	Asset Management: Development Water & Sanitation Maintenance Plans	Institutional	Institutional	R1 572 843	R1 572 843	0	Number of water and sewer network maintenance plans compete d	1 water and sewer network maintenance plan compete d	Water and Sewer Maintenance Plans Report	R 1 786 562.40	Yes		1 water and sewer network maintenance plan competed	N/A	N/A	
CM04	Bureau Services Water & Sanitation (IMQS Licensing, Project Management, Master Plans Updates, Infrastructure Surveys, Service Contributions Tariff Calculation Updates & Database	Institutional	Institutional	R3 553 600	R2 553 600	1	Number of Water and Sanitation Master Plans updated	1 Water and Sanitation Master Plan updated	Updated Master Plan	R 3 553 600.88	Yes		1 Water and Sanitation Master Plan updated	N/A	N/A	

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved	Actual performance for 2016/17	Reason for non-achievement and variations (deviations)	Plans to address non-achievement and timeframes		
															Yes	No
Development Priority: Revenue Enhancement																
CM29	Meter replacement program	Institutional	Institutional	R2 759 585	R2 759 585	Lack of Metre Audit Data	Number of Domestic and Bulk Water Meter Audited	2 000 Domestic and 500 Bulk Meters Audited	Metre Audit Report	R 2 759 585	Yes	3114 domestic and 559 bulk meters audited	The auditing methodology used was cheaper to enable audits of additional meters	N/A		
CM30	Awareness campaigns on water conservation	Institutional	Institutional	R1 400 000	R1 400 000	5	Number of awareness campaign undertaken	4 Awareness campaigns undertaken	Awareness Campaigns Report	R 1 400 000	Yes	4 Awareness campaign undertaken	N/A	N/A		

3.4 Community Services

The Annual Performance of the department is summarised as follows:

Department/Unit	Total number of targets	Number of achieved targets (100% success)	Number of targets not achieved
Office of the General Manager	3	3	0
Solid Waste	13	10	3
Parks and Cemetery	2	2	0
Sport, Recreation and Heritage	17	13	4
Total	35	28	7
Percentage	100%	80%	20%

3.4.1 Office of the General Manager

The Annual Performance of the section is summarised as follows:

Department/Unit	Total number of targets	Number of achieved targets (100% success)	Number of targets not achieved
Office of the General Manager	3	3	0
Percentage	100%	100%	0%

IDP Number	Project Description	Location	Ward	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/17 Annual Target	Means of Verification	Actual budget spent	Was the target achieved	Actual performance for 2016/17	Reason for non-achievement and variations (deviations)	Plans to address non-achievement and timeframes	
											Yes				
Development Priority: Good Governance and Institutional development															
CM258	Risks Mitigation	Institutional	Institutional	R0	R0	3	Number of Risk progress reports submitted	3 risk mitigation progress reports submitted	Reports	Yes	Three reports submitted	N/A	N/A		
CM259	Departmental Review Sessions	Institutional	Institutional	R0	R0	4	Number of departmental performance review sessions conducted	1 department performance review session conducted	Action Plan developed	Yes	N/A	N/A	N/A	N/A	

3.4.2 Solid Waste

The Annual Performance of the section is summarised as follows:

Department/Unit	Total number of targets	Number of achieved targets (100% success)	Number of targets not achieved
Solid Waste	13	10	3
Percentage	100%	77%	23%

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variations (deviation)	Plans to address non-achievement and timeframes	
											Yes	No				
Development Priority: Waste and Environment Management																
CoM263	Registration and Licensing of Tekwane West Central Waste Disposal Site Phase II	18	Tekwane West	R0	R400 000	0	Number of EIAs for Tekwane West CWDS Phase II conducted	1 EIA for Tekwane West CWDS Phase II conducted	EIA Report	R389 240	Yes	1 EIA for Tekwane West CWDS Phase II conducted	N/A	N/A		

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variations (deviation)	Plans to address non-achievement and timeframes
											Yes	No			
Development Priority: Waste and Environment Management															
						0	Number of Designs for Tekwane West CWDS completed	1 Design for Tekwane West CWDS Phase II completed	Design Report		Yes	1 Design for Tekwane West CWDS Phase II completed	N/A	N/A	
CoM168	Registration and Licensing of Matsulu Transfer Station	13	Matsulu A	R250 000	R250 000	0	Number of Environmental Impact Assessments (EIAs) conducted	1 Environmental Impact Assessments (EIAs) conducted	EIA report	R85 425	Yes	1 Environmental Impact Assessments (EIAs) conducted	N/A	N/A	

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variations (deviation)	Plans to address non-achievement and timeframes
											Yes	No			
Development Priority: Waste and Environment Management															
						0	Number of designs for Matsulu Transfer Station completed	1 design for Matsulu Transfer Station completed	Designs	R64 000	No		0 design for Matsulu Transfer Station completed	Additional requirements by the Department Agriculture, Rural Development, Land and Environmental Affairs outside the scope of the project. However layout plan completed.	Additional requirements to be incorporated in the final design and submitted to the Department during first Quarter of 2017/2018 financial year.
						0	Number of Transfer Stations Licensed	1 Transfer Station Licensed (Matsulu)	License for Matsulu Transfer Station	R0	No		0 Transfer Station Licensed (Matsulu)	Additional requirements by the Department Agriculture, Rural Development, Land and Environmental Affairs outside the scope of the project.	Engage department to expedite the process. Project to be completed during the Second Quarter of 2017/2018 financial year.

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variations (deviation)	Plans to address non-achievement and timeframes	
											Yes	No				
Development Priority: Waste and Environment Management																
CoM264	Upgrade of Ablution and Change Room Facilities: Solid Waste Management	15	Mbombelwa	R0	R500 000	2 old ablution facilities	Number of ablution facilities upgraded	1 ablution facilities upgraded	Completion Certificate	R0	No	O ablution facilities upgraded	Project reprioritised due to funding constraints	Project to be implemented during the 2017/18 financial year		



Operating Budget

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variations (deviation)	Plans to address non-achievement and timeframes	
											Yes	No				
Development Priority: Waste and Environmental Management																
CM05	Auditing of Waste Disposal Facilities	1, 18 & 42	Hazyview Tekwane & Barberton	R500 000	R200 000	2 Audits performed	Number of Audits performed in line with Licence conditions	3 Audits performed in line with Licence conditions	Audit Reports	R 185 670	Yes		3 Audits performed in line with Licence conditions	N/A	N/A	
CM06	Clean City Campaign	Institutional	Institutional	R500 000	R514 680	4 Clean up Campaigns conducted	Number of Clean up Campaigns conducted	3 Clean-up Campaigns conducted	Clean City Campaign Report	R 448 855	Yes		3 Clean-up Campaigns conducted	N/A	N/A	
CM18 3	Waste Collection Services	1,,13,14, 15,16,17 ,18,19,2 0,21,22,, 27,28,30 ,33 , 37,38 41, 42, 43,44,45	Mbombela, White River, Kabokweni, Kanyamazane, Matsulu, Barberton	R0	R0	65 325	Number of formalised households received basic waste collection services	65 325 formalised households received basic waste collection services	Waste collection schedule	R 0	Yes		65 325 formalised households received basic waste collection services	N/A	N/A	

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved Yes No 	Actual performance for 2016/17	Reason for non-achievement and variations (deviation)	Plans to address non-achievement and timeframes
Development Priority: Waste and Environmental Management														
CM184	Street Sweeping	1,13,14, 15,16,17 ,18,19,2 0,21,22,, 27,28,30 ,33 , 37,38 41, 42, 43,44,45	Mbombe la, White River, Kabokweni, Kanyamazane, Matsulu, Barberton	R0	R 0	50 Kilometres	Number of Kilometres where street sweeping is provided	50 Kilometres where street sweeping is provided	Street sweeping Schedule	R 0	Yes	50 Kilometres where street sweeping is provided	N/A	N/A
CM185	Litter Picking Services	1,13,14, 15,16,17 ,18,19,2 0,21,22,, 27,28,30 ,33 , 37,38 41, 42, 43,44,45	Mbombela , White River, Kabokweni, Kanyamazane, Matsulu, Barberton	R0	R 0	250 kilometres	Number of kilometres where litter picking is provided	250 kilometres where litter picking is provided	Litter Picking Schedule	R 0	Yes	250 kilometres where litter picking is provided	N/A	N/A
CM186	Waste Information System reporting	18	Tekwane West	R0	R 0	4 Waste Information System Reports	Number of Waste Information System (WIS) Reports	4 Waste Information System Reports compiled	Annual WIS Report	R 0	Yes	4 Waste Information System Reports compiled	N/A	N/A

IDP Number	Project Description	Ward	Location	2016/20 17 Original Budget	2016/20 17 Adjusted Budget	Baseline	Key Performance Indicator	2016/20 17 Targets	Means of verificat ion	Actual budget spent	Was the target achieve d	Actual performa nce for 2016/17	Reason for non- achievement and variations (deviation)	Plans to address non- achievement and timeframes
Development Priority: Waste and Environmental Management														
							compiled							



3.4.3 Parks and Cemetery

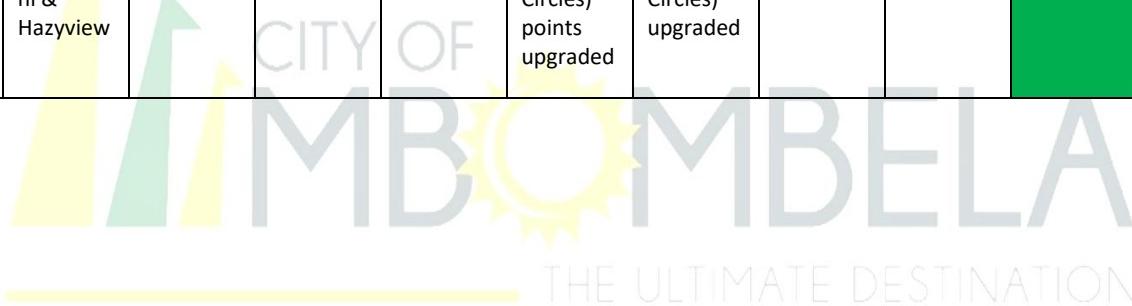
The Annual Performance of the section is summarised as follows:

Department/Unit	Total number of targets	Number of achieved targets (100% success)	Number of targets not achieved
Parks and Cemetery	2	2	0
Percentage	100%	100%	0%

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variations (deviations)	Plans to address non-achievement and timeframes	
											Yes	No				
Development Priority: Community Development																
CoM176	Purchase of Lawnmowers and Brush Cutters	Institutional	Institutional	R700 000	R580 000	10 old Lawnmowers	Number of Lawnmowers procured	4 of Lawnmowers procured	Payment certificate	R580 000	Yes	4 of Lawnmowers procured	N/A	N/A		

Operating Projects

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variations (deviations)	Plans to address non-achievement and timeframes	
											Yes	No				
Development Priority: Community Development																
CoM174	Upgrade of Focal Points	1,15,30 & 33	Mbombela, White River, Kabokweni & Hazyview	R1 000 000	R 1 170 000	0	Number of focal points (Island and Circles) points upgraded	4 focal points (Island and Circles) upgraded	Payment certificate	R 1 170 000	Yes	4 focal points (Island and Circles) upgraded	N/A	N/A		



3.4.4 Sports, Recreation and Heritage

The Annual Performance of the section is summarised as follows:

Department/Unit	Total number of targets	Number of achieved targets (100% success)	Number of targets not achieved
Sport, Recreation and Heritage	17	13	4
Percentage	100%	76%	24%

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved	Actual performance for 2016/17	Reason for non-achievement and variations (deviation)	Plans to address non-achievement and timeframes
				Yes	No									
Development Priority: Community Development														
CoM170	Renovation of Van Riebeeck Park Netball Courts and Valencia Club houses	16	Mbombela	R1 000 000	R 1 508 000	2 dilapidated Netball Courts and 2 dilapidated Clubhouses	Number of Netball Courts renovated	2 Netball Courts (Van Riebeeck Park) renovated	Completion certificate	R 1 508 000	Yes	2 Netball Courts (Van Riebeeck Park) renovated	N/A	N/A
				Number of clubhouses renovated	2 club houses (Valencia) renovated		Completion certificate	Yes	2 club houses (Valencia) renovated		N/A	N/A		

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variations (deviation)	Plans to address non-achievement and timeframes	
											Yes	No				
Development Priority: Community Development																
CoM17 1	Resile of Valencia, Nelsville, Swimming Pools	14, 16	Valencia and Nelsville	R1 000 000	R1 486 000	2 dilapidated swimming pools	Number of swimming pools upgraded	2 Swimming Pools upgraded	Completion certificate	N/A	No	0 Swimming Pools upgraded	Poor performance by the service provider	Engage Service provider to fasttrack the completion of the project. Target to be achieved in the 2017/18 financial year		
CoM17 2	Purchase of Brush cutters and Ride on Lawn Mowers for Sports Section	Institutional	Institutional	R500 000	R580 000	5 old brush cutters	Number of Brush cutters procured	10 Brush cutters procured	Delivery note	R0	No	0 Brush cutters procured	Delays due to procurement processes	Project reprioritised		
						5 old ride on lawnmowers	Number of ride on lawnmowers procured	4 ride on lawn mowers procured		R0	No	0 ride on lawn mowers procured	Delays due to procurement processes	Project reprioritised		

Operating Projects

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variations (deviations)	Plans to address non-achievement and timeframes	
											Yes	No				
Development Priority: 2010 Legacy																
CM150	2010 Legacy Annual Recreational Programmes	Institutional	Institutional	R848 000	R1 122 445	Five 2010 Legacy recreational programmes conducted	Number of 2010 Legacy recreational programmes conducted.	Five 2010 Legacy recreational programmes conducted.	Reports	R1 120 700	Yes		Seven 2010 Legacy recreational programmes conducted.	Over achievement due to the requests from the Councillors.	N/A	
CM151	Annual Sport programmes	Institutional	Institutional	R1 200 000	R971 852	3 Sports programmes and 4 events	Number of Sports programmes and events conducted	1 Sport programme and 8 events conducted	Reports	R95 724	Yes		1 Sport programme and 8 events conducted	N/A	N/A	
CM156	Facilitation of arts, culture and heritage programmes	Institutional	Institutional	R800 000	R832 998	16 Annual arts, culture & heritage programmes conducted	Number of arts, culture & heritage programmes conducted	16 arts, culture & heritage programmes conducted	Reports, attendance registers	R611 025	Yes		16 arts, culture & heritage programmes conducted	N/A	N/A	

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variations (deviations)	Plans to address non-achievement and timeframes	
											Yes	No				
Development Priority: 2010 Legacy																
CM157	Facilitation of standardization of geographical features	Institutional	Institutional	R500 000	R449 563	Existing geographical features named and renamed per ward	Number of geographical features identified for renaming	33 geographic features identified for renaming	List of geographical features identified	R139 025	Yes		47 geographical features identified for renaming	More features identified and submitted to the LGNC by Ward Councillors	N/A	
						1 Workshop for councillors	Number of workshop conducted on geographical names	1 workshop conducted on geographical names	Attendance register	R29 640	Yes		1 workshop conducted on geographical names	N/A	N/A	
CM159	Grading of Open Grounds	Institutional	Institutional	R2 100 000	R2 270 361	50 grounds graded	Number of Sports grounds graded as per request	All sports grounds graded based as per request	Reports and photos	R1 900 000	Yes		50 ground graded as per the request	N/A	N/A	

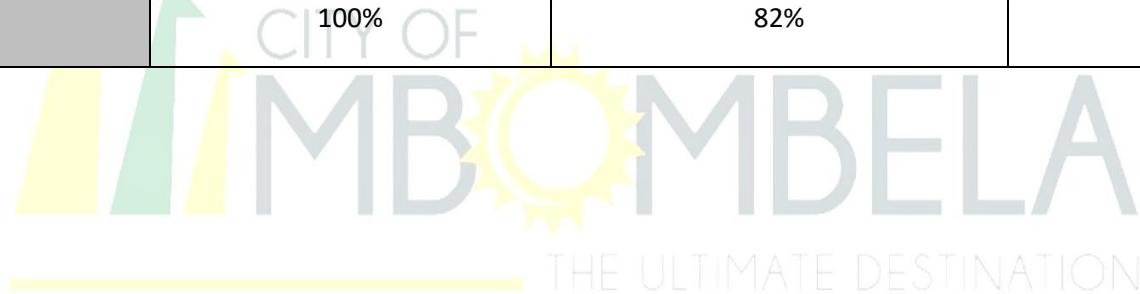
IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variations (deviations)	Plans to address non-achievement and timeframes
											Yes	No			
Development Priority: 2010 Legacy															
						28 goal posts installed	Number of Goal posts installed as per request	All Goal posts installed as per requests			Yes		28 goal posts installed as per the request	N/A	N/A
						2 new grounds established	Number of new Grounds established as per request	All new grounds established as per request			Yes		2 New grounds establishment	N/A	N/A
CM160	Hosting of Mbombela Mayoral Cup Tournament	Institutional	Institutional	R1 800 000	R1 029 370	Mbombela Mayoral cup hosted	Number of Sporting codes and events hosted	4 Sporting codes and 8 events hosted	Reports	R23 000	Yes		4 Sporting codes and 8 events hosted	N/A	N/A
CM161	Library Programmes	Institutional	Institutional	R500 000	R650 000	4 Annual Library Programmes implemented in 13 libraries	Number of library programmes implemented	4 library programmes implemented in 13 libraries	Reports with pictures	R600 000	Yes		4 Annual Library Programmes implemented in 13 libraries	N/A	N/A

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variations (deviations)	Plans to address non-achievement and timeframes	
											Yes	No				
Development Priority: 2010 Legacy																
CM164	Purchase of cutlery and crockery for Civic Hall Kitchen	Institutional	Institutional	R250 000	R168 354	Shortage of cutlery & crockery	Number of sets of cutlery and crockery purchased	1 set of cutlery and 1 set of crockery purchased	Payment certificates and Invoices	R113 789	Yes		1 set of cutlery and 1 set of crockery purchased	N/A	N/A	
CM165	Purchasing of books	Institutional	Institutional	R700 000	R700 000	Outdated editions in all categories of books	Number of Categories of books (Adults fiction and non-fiction; Junior fiction and non-fiction) purchased for 13 libraries	4 Categories of books (Adults fiction and non-fiction; Junior fiction and non-fiction) purchased for 13 libraries	Invoices	R350 000	No	2 Categories of books (Adults fiction ; Junior fiction) purchased for 13 libraries	Delays due to change of Procurement processes from request for quotations to tender	To appoint Service Providers on a bi-annual tender.		

3.5 Public Safety

The Annual Performance of the department is summarised as follows:

Department/Unit	Total number of targets	Number of achieved targets (100% success)	Number of targets not achieved
Office of the General Manager	3	3	0
Public Safety	25	20	5
Total	28	23	5
Percentage	100%	82%	18%



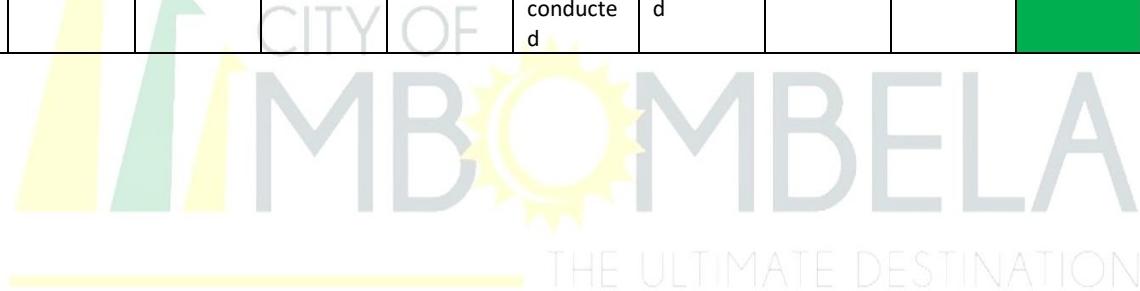
3.5.1 Office of the General Manager

The Annual Performance of the section is summarised as follows:

Department/Unit	Total number of targets	Number of achieved targets (100% success)	Number of targets not achieved
Office of the General Manager	3	3	0
Percentage	100%	100%	0%

IDP Number	Project Description	Location	Ward	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/17 Annual Target	Means of Verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variations (deviations)	Plans to address non-achievement and timeframes	
											Yes	No				
Development Priority: Good Governance and Institutional development																
CM260	Risks Mitigation	Institutional	Institutional	R0	R0	3	Number of Risk progress reports submitted	3 risk mitigation progress reports submitted	Reports	R0	Yes		3 risk mitigation progress reports submitted	N/A	N/A	
											1		1 Action Plan developed	Action Plan	R0	Yes

IDP Number	Project Description	Location	Ward	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/17 Annual Target	Means of Verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variations (deviations)	Plans to address non-achievement and timeframes
											Yes	No			
CM261	Departmental Review Sessions	Institutional	Institutional	R0	R0	4	Number of departmental performance review sessions conducted	1 department performance review session conducted	Attendance Register	R0	Yes		1 department performance review session conducted	N/A	N/A



3.5.2 Public Safety

The Annual Performance of the section is summarised as follows:

Department/Unit		Total number of targets					Number of achieved targets (100% success)			Number of targets not achieved		
Public Safety		25					20			5		
Percentage		100%					80%			20%		

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved	Actual performance for 2016/17	Reason for non-achievement and variations (deviations)	Plans to address non-achievement and timeframes
				Yes	No									
Development Priority: Community Development														
CoM177	Purchase of 15 collapsible structures	Institutional	Institutional	R400 000	R400 000	8	Number of collapsible structures purchased	4 collapsible structures purchased	Tax invoice	R367 203.12	Yes	4 collapsible structures purchased	N/A	N/A
CoM180	Disaster Management equipment	Institutional	Institutional	R80 000	R80 000	5	Number Disaster Equipment procured	6 Disaster Equipment procured	Tax invoice	R29 900.00	Yes	7 Disaster Equipment procured	Budget sufficient enough to purchase the extra equipment	N/A
CoM181	Purchase of 10 Guard Houses	Institutional	Institutional	R800 000	R500 000	10	Number of guard houses purchased	30 guard houses purchased	Tax invoice	R297 900.00	Yes	30 guard houses purchase Purchase	N/A	N/A

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variations (deviations)	Plans to address non-achievement and timeframes
											Yes	No			
Development Priority: Community Development															
CoM183	Upgrading of Mbombela Fire Station	16	Mbombe la	R500 000	R500 000	Phase 2	Number of Fire Stations upgraded	1 Fire Stations upgraded	Completion certificate	R0	No		95% of work completed.	Cash flow challenges.	Projected will be completed in 2017/2018 financial year first quarter.
CoM184	Upgrading of KaNyamazane Fire Station	21	Kanyama zane	R350 000	R350 000	0	Number of Fire Stations upgraded (KaNyamazane)	1 Fire Station upgraded (KaNyamazane)	Completion Certificate	R 348 000	Yes		1 Fire Station upgraded (KaNyamazane)	N/A	N/A
CoM186	Supply and Installation of GPS to 22 Fire Brigade Vehicles	Institutional	Institutional	R170 000	R114 978	0	Number of vehicles installed with GPS	22 vehicles installed with GPS	Tax invoice	R 114 000	Yes		22 vehicles installed with GPS	N/A	N/A
CoM191	Installation of vehicle mounted cameras in forty Traffic Vehicles	Institutional	Institutional	R500 000	R500 000	0	Number of vehicles installed with cameras	2 vehicles installed with cameras	Payment certificate	R0	No		0 vehicles installed with cameras	Non responsive bidders	Project reprioritise for 2017/18 financial year

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved	Actual performance for 2016/17	Reason for non-achievement and variations (deviation)	Plans to address non-achievement and timeframes
				Ye	No									
Development Priority: Community Development														
CoM192	Speed Cameras for Speed Prosecution	Institutional	Institutional	R1 000 000	R1 000 000	8	Number of Speed machines procured	2 Speed machines procured	Tax invoice & Delivery note	R390 807.00	Yes	2 Speed machines procured	N/A	N/A
CoM197	Renovation of Traffic Technical Services Paint Store and Ablution Facilities (Mbombela)	Institutional	Institutional	R1 500 000	R1 500 000	Inadequate Ablution facilities and paint store	Number of ablution facilities constructed	1 ablution facility constructed in Mbombela	Completion certificate	R 0	No	0 ablution facility constructed in Mbombela	Delays due to cash flow constraints	Project to be completed in First Quarter of 2017/18

Operating Projects

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved	Actual performance for 2016/17	Reason for non-achievement and variations (deviation)	Plans to address non-achievement and timeframes
				Ye	No									
Development Priority: Community Development														

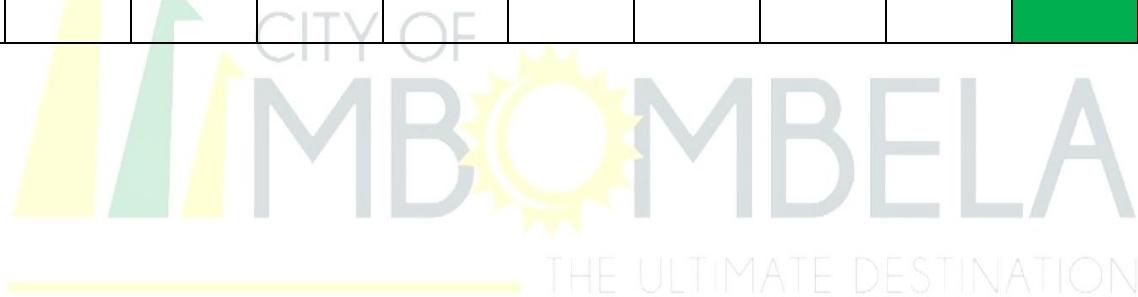
IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved	Actual performance for 2016/17	Reason for non-achievement and variations (deviations)	Plans to address non-achievement and timeframes	
Development Priority: Community Development															
CM153	Disaster Management Risk Assessment	Institutional	Institutional	R500 000	R500 000	5 wards	Number of wards assessed for Disaster Management Risk	5 wards assessed for Disaster Management Reports	Risk Management Reports	R0	No	0 wards assessed for Disaster Management Risk	Late finalisation of bid document due to technical challenges	Project will be completed in 2017/2018 financial year	
CM154	Disaster Relief fund (Demand driven project)	Institutional	Institutional	R500 000	R700 000	None	Disaster Relief Material procured as and when Disaster occurs	Disaster Relief Material procured as and when Disaster occurs	Tax invoice	R118824	Yes	Disaster Relief Material procured (200 mattresses and 200 blankets)	N/A	N/A	
CM155	Disaster, Fire awareness campaign	Institutional	Institutional	R300 000	R300 000	5	Number of Disaster & Fire awareness campaigns conducted	4 Disaster, Fire awareness campaigns conducted	Reports	R0	Yes	4 Disaster & Fire awareness campaign conducted	N/A	N/A	

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved	Actual performance for 2016/17	Reason for non-achievement and variations (deviations)	Plans to address non-achievement and timeframes	
Development Priority: Community Development															
CM166	Security Master Plan	Institutional	Institutional	R500 000	R500 000	0	Number of Security Master Plans compiled	1 Security Master Plan compiled	Security Master Plan	R324 900	Yes	1 Security Master Plan compiled	N/A	N/A	
CM167	Servicing and maintenance of Fire Extinguishers	Institutional	Institutional	R500 000	R283 000	0	Number of council facilities' fire extinguishers serviced and maintained	64 Council facilities Fire Extinguishers Serviced and maintained	Tax invoice	R 310 250.28	Yes	67 Council facilities Fire Extinguishers Serviced and maintained	3 more facilities were serviced due to demand	N/A	
CM168	Supply and Delivery of Small Gear	Institutional	Institutional	R450 000	R480 000	0	Number of Small Gears procured	29 Small Gears procured	Tax invoice and delivery note	R 385 754.67	Yes	32 Small Gears procured	3 more procured due to price reduction	N/A	
CM169	Supplying and Delivery of Fire Hose and	Institutional	Institutional	R450 000	R450 000	Hose 15 Nozzles 9	Number of Fire Hose and Nozzles	40 Fire Hose and 20 Nozzles procured	Tax invoice and delivery note	R 445 000	Yes	80 Fire Hose and 30 Nozzles procured	Extra 40 Fire Hose and 10 nozzles procured	N/A	

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved	Actual performance for 2016/17	Reason for non-achievement and variations (deviations)	Plans to address non-achievement and timeframes	
Development Priority: Community Development															
	Nozzle						procured							due to price reduction	
CM171	Upgrading of Mbombela Emergency Control room	Institutional	Institutional	R1 000 000	R500 000	Phase 1	Number of emergency control room upgraded	1 emergency control room upgraded	Completion certificate	R 858 820.69	Yes	1 emergency control room upgraded	N/A	N/A	
CM187	Enhance Traffic Law Enforcement	Institutional	Institutional	R0	R0	0	Number of road blocks conducted	12 road blocks conducted	Plans and reports	R0	Yes	13 road blocks conducted	N/A	N/A	
CM251	Improve the Execution of Warrant of Arrests (WoA)	Institutional	Institutional	R0	R0	8	Number of WoA operations conducted	24 WoA operations conducted	Automated Number Plate Recognition Bus (ANPR) Financial reports	R0	No	17 WoA Operations conducted	Delays in appointment of Human resources	Engage Corporate Services to fasttrack the appointment of staff	
CM189	Municipal By-Laws Enforcement	Institutional	Institutional	R0	R0	6	Number of by-law enforcement operations	12 by-law enforcement operations issued	Plans, reports and notices issued	R0	Yes	12 by-law enforcement operations conducted	N/A	N/A	

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved	Actual performance for 2016/17	Reason for non-achievement and variations (deviations)	Plans to address non-achievement and timeframes	
Development Priority: Community Development															
							operations conducted	conducted							
CM190	Fire prevention inspection	Institutional	Institutional	R0	R0	60	Number of fire prevention inspections conducted	500 fire prevention inspections conducted	Inspection report	R0	Yes	747 fire prevention inspections conducted	More inspections were conducted due to demand	N/A	
CM191	Fire Plan appraisals	Institutional	Institutional	R0	R0	326	Number of Fire Plan Appraisals conducted	800 Fire Plan Appraisals conducted	Reports	R0	Yes	1749 Fire Plan Appraisals conducted	More Appraisals were conducted due to demand	N/A	
CM192	Security Committee	Institutional	Institutional	R0	R0	0	Number of Security committee meetings held	2 Security Committee meetings held	Attendance register	R0	Yes	2 Security Committee meetings held	N/A	N/A	
CM193	Stakeholder Relations (Disaster Manage	Institutional	Institutional	R0	R0	0	Number of Stakeholder Relations	2 Stakeholder Relations	Attendance registers	R0	Yes	2 Stakeholder Relations meetings	N/A	N/A	

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved	Actual performance for 2016/17	Reason for non-achievement and variations (deviation)	Plans to address non-achievement and timeframes
Development Priority: Community Development														
	ment)						Relations meetings held	meetings held				held		
CM194	Fitness of Drivers	Institutional	Institutional	R0	R0	1200	Number of driving licence examined	8000 drivers examined	Reports	R0	Yes	8547 Driving Licence Examined.	More drivers were examined due to demand	N/A



3.6 City Planning and Development

The Annual Performance of the department is summarised as follows:

Department/Unit	Total number of targets	Number of achieved targets (100% success)	Number of targets not achieved
Office of the General Manager	3	3	0
LED, Tourism and Trade	14	7	7
Rural Planning, Traditional Affairs and Agriculture	2	0	2
Human Settlements	2	0	2
Land Use Management	6	4	2
Spatial Development Planning	6	2	4
Real Estate Management	5	1	4
Total	38	17	21
Percentage	100%	45%	55%

3.6.1 Office of the General Manager

The Annual Performance of the section is summarised as follows:

Department/Unit		Total number of targets			Number of achieved targets (100% success)					Number of targets not achieved		
Office of the General Manager		3			3					0		
Percentage		100%			100%					0%		

IDP Number	Project Description	Location	Ward	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/17 Annual Target	Means of Verification	Actual budget spent	Was the target achieved	Actual performance for 2016/17	Reason for non-achievement and variance (deviations)	State plans to address non-achievement and timeframes
											Yes			
Development Priority: Good Governance and Institutional development														
CM262	Risks Mitigation	Institutional	Institutional	RO	RO	3	Number of Risk progress reports submitted	3 risk mitigation progress reports submitted	Reports	RO	Yes	3 risk mitigation progress reports submitted	N/A	N/A
						1	Number of Action Plans developed	1 Action Plan developed	Action Plan	RO	Yes	1 Action Plan developed	N/A	N/A
CM263	Departmental Review Sessions	Institutional	Institutional	RO	RO	4	Number of departmental performance review sessions conducted	1 department performance review session conducted	Attendance Register	RO	Yes	1 department performance review session conducted	N/A	N/A

3.6.2 LED, Tourism and Trade

The Annual Performance of the section is summarised as follows:

Department/Unit	Total number of targets	Number of achieved targets (100% success)	Number of targets not achieved
LED, Tourism and Trade	14	7	7
Percentage	100%	50%	50%

IDP Number	Project Description	Ward	Location	2016/2017 original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variance (deviations)	State plans to address non-achievement and timeframes
											Yes	No			
Development Priority: Economic Development															
CoM201	Infrastructure Planning for Township Tourism Route	Institutional	Institutional	R1 000 000	R1 000 000	0	Number of building plans for identified township tourism route infrastructure project completed	4 Building plans for identified township tourism routes infrastructure project completed	Building plans	R0	No	0 Building plans for identified township tourism routes infrastructure project completed	Delays in appointment of the service provider. However a Concept and Viability Plans has been developed	Reprioritised the project for 1 st quarter of 2017/2018 financial year	

IDP Number	Project Description	Ward	Location	2016/2017 original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variance (deviations)	State plans to address non-achievement and timeframes	
											Yes	No				
Development Priority: Economic Development																
CoM202	Construction of Informal Trade Facilities	Institutional	Institutional	R2 500 000	R2 000 000	14	Number of informal trade stalls completed	15 Informal trade stalls completed	Completion Certificate	R304 948.18	No	0 Informal trade stalls completed	The contract period expired and extension of time approved late. However land excavation and layout of foundation has been done	Close monitoring of contractor by department. The project will be completed in the 2 nd quarter of the 2017/18 financial year		
CoM203	Construction of Job Linkage Centre	26	Msogwaba	R3 000 000	R5 611 446	80% of phase 1 completed	% of phase 1 completed	100% of phase 1 completed	Progress reports	R0	No	99% of phase 1 completed	Electrical work still outstanding	An application has been submitted to Eskom from council on behalf of the contractor. Target will be completed in the 1 st quarter of 2017/18		

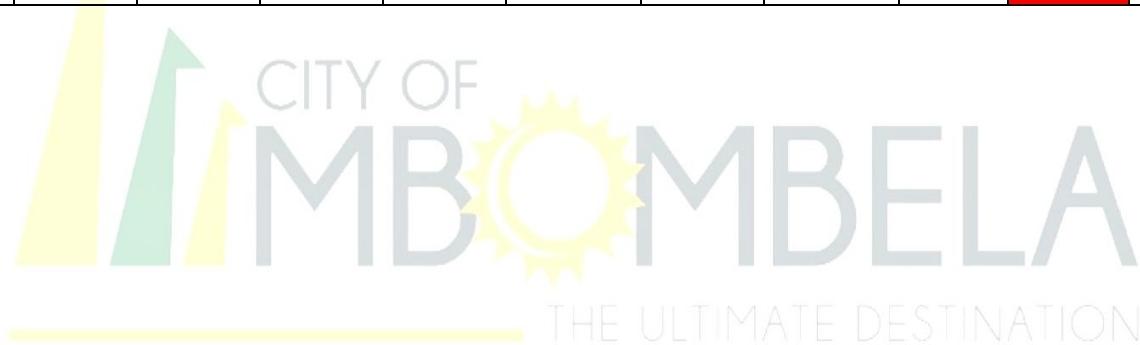
IDP Number	Project Description	Ward	Location	2016/2017 original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variance (deviations)	State plans to address non-achievement and timeframes
											Yes	No			
Development Priority: Economic Development															
								% of phase 2 completed	100% of phase 2 completed		450 250	No	88.85%	Electrical work still outstanding -Building material not delivered on time	Application has been submitted to Eskom for connection. Engage Contractor to fast track the delivery of material. Project will be completed in the 2 nd quarter of 2017/2018 financial year
								% of phase 3 completed	50% of phase 3 completed		739 271.86	No	39% of phase 3 completed	Building material not delivered on time by supplier	Engage Contractor to fast track the delivery of material. Project will be completed in the 2 nd quarter of 2017/2018 financial year

Operating Projects

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variance (deviations)	State plans to address non-achievement and timeframes	
											Yes	No				
Development Priority: Economic Development																
CM135	Mbombela Economic Development Partnership (MEDP) Support	Institutional	Institutional	R600 000	R600 000	0	Number of MEDP reports submitted	1 MEDP report submitted	Reports	R600 000	Yes		1 MEDP report submitted	N/A	N/A	
CM136	SMMES/Cooperatives Support	Institutional	Institutional	R350 000	R242 370	Registered SMMES	Number of Cooperatives registered in different sectors	22 Cooperatives registered in different sectors	Registration Certificates	R242 370	Yes		22 Cooperatives registered in different sectors	N/A	N/A	
CM137	Events Support	Institutional	Institutional	R600 000	R600 000	2	Number of major events supported	5 Major events supported	Reports	R400 000	Yes		5 Major Events were supported	N/A	N/A	
CM138	Know Your City Schools Project	Institutional	Institutional	R300 000	R185 295	0	Number of school trips facilitated	3 School trips facilitated	Reports	R185 295	Yes		3 School trips facilitated	N/A	N/A	

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variance (deviations)	State plans to address non-achievement and timeframes	
											Yes	No				
Development Priority: Economic Development																
CM140	Development of Township Tourism Route	Institutional	Institutional	R200 000	R200 000	0	Number of stakeholder workshops conducted	4 stakeholder workshops conducted	Attendance registers	R0	No		0 stakeholder workshops conducted	None availability of stakeholders	Project reprioritise for 2017/2018 financial year	
CM141	Development of Informal Economy Strategy	Institutional	Institutional	R300 000	R300 000	0	Number of informal economy strategies developed	1 informal economy strategy developed	Final Report	R244 950	Yes		1 informal economy strategy developed	N/A	N/A	
CM143	Support for Community Workers Programme (CWP)	Institutional	Institutional	R300 000	R300 000	4	Number of Local Reference Committee (LRC) meetings held	6 LRC meetings held	Attendance registers	R240 000	Yes		6 LRC meetings held	N/A	N/A	
CM146	Development of DTI Business Plans	Institutional	Institutional	R500 000	R500 000	0	Number of Business plans developed for the Incubation Hub	2 Business plans developed for the Incubation Hub	Business Plan	R0	Yes		2 Business plans developed for the Incubation Hub	N/A	N/A	

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variance (deviations)	State plans to address non-achievement and timeframes	
											Yes	No				
Development Priority: Economic Development																
CM147	Purchase of Destination Marketing Materials	Institutional	Institutional	R500 000	R235 714	2000	Number of marketing booklets purchased	3 000 marketing booklets purchased	Marketing booklets	R235 714	No	0 marketing booklets purchased	Budget was reprioritised for other projects	Project reprioritised to 2017/2018 financial year		



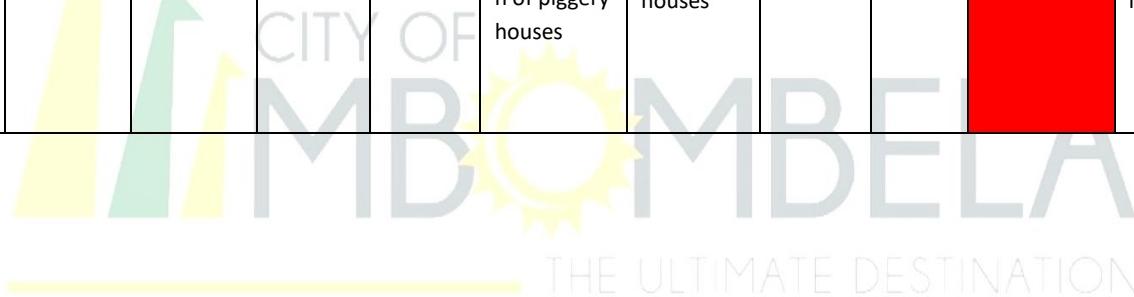
3.6.3 Rural Planning, Traditional Affairs and Agriculture

The Annual Performance of the section is summarised as follows:

Department/Unit	Total number of targets	Number of achieved targets (100% success)	Number of targets not achieved
Rural Planning, Traditional Affairs and Agriculture	2	0	2
Percentage	100%	0%	100%

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variance (deviations)	State plans to address non-achievement and timeframes	
											Yes	No				
Development Priority: Rural Development																
CoM214	Construction of Poultry Broiler Houses	2, 37, 27 &33	Phakane, Makoko, Mara & Kabokweni	R2 000 000	R1 000 000	0	Number of poultry houses renovated	4 Poultry houses renovated	Reports	R0	No	No	0 Poultry houses renovated	Delays due to departmental procurement challenges	Department to fasttrack the appointment of a service provider. Project to be completed in the 4 th quarter of 2017/18 financial year	

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variance (deviations)	State plans to address non-achievement and timeframes	
											Yes	No				
Development Priority: Rural Development																
CoM215	Construction of Piggery Houses	5, 9, 7 & 13	Swalala, Mganduzweni, Chochoco & Matsulu	R2 000 000	R1 000 000	0	Number of Service Providers appointed for the construction of piggery houses	1 Service Providers appointed for the construction of piggery houses	Reports	Ro	No	0 Service Providers appointed for the construction of piggery houses	Delays due to departmental procurement challenges	Department to fasttrack the appointment of a service provider.	Project to be completed in the 4 th quarter of 2017/18 financial year	



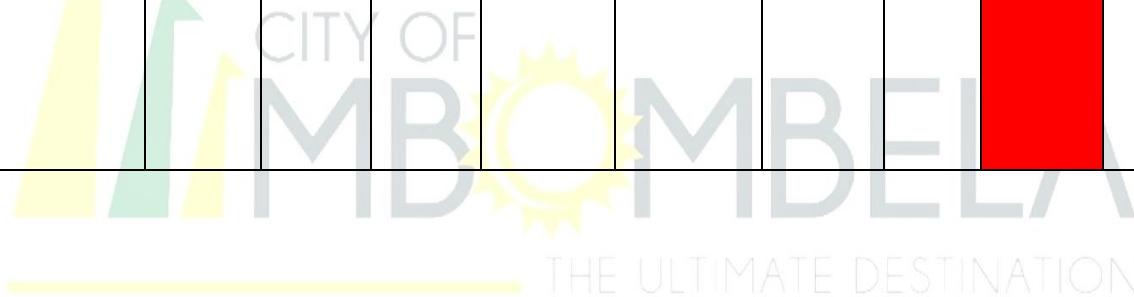
3.6.4 Human Settlements

The Annual Performance of the section is summarised as follows:

Department/Unit	Total number of targets	Number of achieved targets (100% success)	Number of targets not achieved
Human Settlements	2	0	2
Percentage	100%	0%	100%

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variance (deviations)	State plans to address non-achievement and timeframes	
											Yes	No				
Development Priority: Integrated Human Settlement																
CM45	Collection of Informal Settlement Data	12,13,14, 18,19,20, 21,27,28, 30,32 & 33	Ngodwana, Elandshoek, Entokozweni, Kanyamazane, Matsulu A,B Kabokweni, White River & Msholozi	R800 000	R740 000	No data	Number of informal settlements' data collected	6 Informal settlements' data collected	Data Register	R21 000	No	0 Informal settlements' data collected	Delays due to change of procurement strategy from conventional to in-house sourcing	Project to be implemented in-house and to be finalised in the 4 th quarter of 2017/18 financial year		

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variance (deviations)	State plans to address non-achievement and timeframes	
											Yes	No				
Development Priority: Integrated Human Settlement																
CM46	Conduct of Due Diligence of Mbombela Housing Association	Institutional	Institutional	R500 000	R500 000	No due diligence report	Number of due diligence assessment reports conducted	1 Due diligence assessment report conducted	Report	R0	No	0 Due diligence assessment report conducted	Delays due to change of procurement strategy from in-house sourcing to conventional	Service provider to be closely monitored to ensure that the project is completed by the end of 1 st quarter 2017/2018 financial year		



3.6.5 Land Use Management

The Annual Performance of the section is summarised as follows:

Department/Unit	Total number of targets	Number of achieved targets (100% success)	Number of targets not achieved
Land Use Management	6	4	2
Percentage	100%	67%	33%

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variance (deviations)	State plans to address non-achievement and timeframe	
											Yes	No				
Development Priority: Revenue Enhancement																
CM36	Establishment of Land Development Dispute Resolution Committee	Institutional	Institutional	R500 000	R500 000	No Land Development Dispute Resolution Committee established	Number of Land Development Dispute Resolution Committees established	1 Land Development Dispute Resolution Committee established	Council Resolution	RO	Yes	1 Land Development Dispute Resolution Committee established	Project implemented in-house	N/A		

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variance (deviations)	State plans to address non-achievement and timeframe
											Yes	No			
CM37	Provision of Land Tenure (formalisation)	1; 2; 4; 5; 6; 7; 9; 10; 11; 14,19; 21; 22; 23; 24; 25; 26; 27; 29; 31; 32; 33; 34; 35; 36; 37; 38 & 39	Msholozi, Nsikazi South & North	R4 000 000	R4 396 075	0	Number of informal stands formalised	1355 informal stands formalised	General Plans	R1 011 77 0.83	No	472 informal stands formalised		Delays due to Civil Engineers that must be appointed to determine the standard of services which can be provided to the stands in Msholozi.	Bid Specifications to be compiled to appoint a service provider/s to finalize the Msholozi Township Establishment process. Project to be finalised in 2017/18 FY
CM41	Establishment of Land Use Management Scheme (LUMS)	Institutional	Institutional	R500 000	R500 000	3 non SPLUMA compliant Town Planning Schemes	Number of land use verification reports compiled	1 land use verification report compiled	Land Use Register	R499 700 .00	Yes	1 land use verification report compiled	N/A	N/A	

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variance (deviations)	State plans to address non-achievement and timeframe	
											Yes	No				
CM43	Electronic Evaluation and Approval of Building Plan System	Institutional	Institutional	R300 000	R300 000	1 non-compliant mSCOA evaluative system	Number of mSCOA compliant compliant integrated Electronic Evaluation system for land development applications developed	1 mSCOA compliant integrated Electronic Evaluation system for land development applications developed	Fully developed and implemented electronic evaluation system	R0	No		0 mSCOA compliant integrated Electronic Evaluation system for land development applications developed	Delays in the appointment of service provider. However Business Plans have been compiled	Apport a suitable service provider by extending the SLA which Council currently has with the relevant service provider. Project to be completed by the end of the 4 th quarter of 2017/18 financial year	

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variance (deviations)	State plans to address non-achievement and timeframe
											Yes	No			
CM39	Establishment of Kwa-Khumalo Township	10	Greater Nzikazi	R1 500 000	R3 000 000	0	Number of township layouts developed	1 township layout document	Township Layout document	R6 464 62 0.80	Yes		1 township layout developed	N/A	N/A
CM195	Establishment of Land Use Rights for Matsafeni-Woodhouse Farm	14	Mataffin	R800 000	R800 000	0	Number of Land Use Rights Survey for Matsafeni completed	1 Land Use Rights Survey for Matsafeni completed	Land Use Rights Survey document	R797 613 .73	Yes		1 Land Use Rights Survey for Matsafeni completed	N/A	N/A

3.6.6 Spatial Development Planning

The Annual Performance of the section is summarised as follows:

Department/Unit	Total number of targets	Number of achieved targets (100% success)	Number of targets not achieved
Spatial Development Planning	6	2	4
Percentage	100%	33%	67%

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved	Actual performance for 2016/17	Reason for non-achievement and variance (deviations)	State plans to address non-achievement and timeframes	
											Yes				
Development Priority: Rural Development															
CoM207	Upgrade of Kanyamazane - Msogwaba and Luphisi Road	04, 18, 19, 20, 21, 22, 23, 26 & 29	Kanyamazane, Msogwaba & Luphisi	R42 664 035	R42 664 035	Planning & designs of Kanyamazane - Msogwaba and Luphisi Road completed	% of upgrade of 10Kms road completed	100% of upgrade of 10Kms of Kanyamazane - Msogwaba and Luphisi Road completed	Completion certificate	R31 473 462.8 4	No	89% of upgrade of 10Kms of Kanyamazane - Msogwaba and Luphisi Road completed	Budget shortfall_ Works of widening, street lights & sidewalks in KaNyamazane section have stalled due to budget constraints and non-approval of additional requested budget	Municipality to request the Short fall from National Treasury and provincial sector departments to complete the project. Project will be completed during the 2017/2018 financial year	

Operating Projects

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/2017	Reason for non-achievement and variance (deviations)	State plans to address non-achievement and timeframes	
											Yes	No				
Development Priority: Economic Development																
CM144	Planning for National Government Precinct at Mbombela CBD	15	Mbombe la CBD	R1 200 000	R1 200 000	0	Number of National Government precinct plans developed	4 National Government precinct plans developed	4 National Government precinct plans	R 987 481 91	Yes	4 National Government precinct plans developed	N/A	N/A		
CM196	Review of SDF to be SPLUMA compliant	Institutional	Institutional	R400 000	R1 715 789	2012-2030 SDF in place	Number of SDFs reviewed	1 SDF reviewed	Report	R881 998.85	No	0 SDF reviewed	Delays due to late appointment of service provider. However the inception report and the discussion document has been	Close monitoring of service provider to complete project in January 2018		

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved	Actual performance for 2016/17	Reason for non-achievement and variance (deviations)	State plans to address non-achievement and timeframes
				Ye s	No									
Development Priority: Economic Development														
CM197	Develop GIS Strategy	All	Institutional	R400 000	R370 000	0	Number of GIS strategies developed	1 GIS strategy developed	Strategy document	R0	No	0 GIS strategy developed	Delay in the procurement processes	Engage Supply Chain to fast track the appointment of service provider. The project to be finalised by the end of October 2017
CM38	Establishment of Nkosi City Township General Plan	10	Nkosi City	R3 500 000	R10 000 000	No formal township established	Number of township layouts developed	1 township layout developed	Township Layout document	R10 658 423.68	Yes	1 township layout developed	N/A	N/A
CM198	Aerial Photograp	Institutional	Institutional	0	R2 000 000	Former Umjindi and former Mbombe la Arial photogra	Number of aerial photograph analysis done	1 aerial photograph analysis done	Analysis Report	R0	No	0 aerial photograph analysis done	Delay in the procurement processes	Engage Supply Chain to fast track the appointment of service provider. The project

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved Yes No 	Actual performance for 2016/17	Reason for non-achievement and variance (deviations)	State plans to address non-achievement and timeframes
Development Priority: Economic Development														
							phs outdated							to be finalised by the end of October 2017



3.6.7 Real Estate Management

The Annual Performance of the section is summarised as follows:

Department/Unit		Total number of targets		Number of achieved targets (100% success)					Number of targets not achieved		
Real Estate Management		5		1					4		
Percentage		100%		20%					80%		

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variance (deviations)	State plans to address non-achievement and timeframes	
											Yes	No				
Development Priority: Revenue Enhancement																
CM32	Transfer of Municipal Properties	Institutional	Institutional	R2 450 000	R2 450 000	0	Number of Title Deeds Transferred	500 title deeds transferred	Title Deeds Issued	R2 450 000.00	No	0 title deeds transferred	Delays on site verification and issuing of section 70 certificates. However on site verification done, Transfer duties prepared to be lodged	To fast track the issuing of the relevant certificates in compliance with the deeds requirements . project to be completed in the 4 th quarter of 2017/18 financial year		

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variance (deviations)	State plans to address non-achievement and timeframes
											Yes	No			
														soon	
CM33	Verification of Properties Ownership	Institutional	Institutional	R400 000	R400 000	1063 properties	Number of properties registered in the name of the municipality verified	204 properties registered in the name of the municipality verified	Report	R0	No	0 properties registered in the name of the municipality verified	Delays of appointment of field workers to conduct verification	To fast track the issuing of the relevant certificates in compliance with the deeds requirements . project to be completed in the 4th quarter of 2017/18 financial year	
CM34	Conduct of Full Audit for Leases of Municipal Properties	Institutional	Institutional	R300 000	R300 000	0	Number of audits for Leases of Municipal Properties conducted	1 audit for Leases of Municipal Properties conducted	Audit report	R0	No	0 audit for Leases of Municipal Properties conducted	Delays of appointment of field workers to conduct verification	To fast track the issuing of the relevant certificates in compliance with the deeds requirements. project to be completed	

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variance (deviations)	State plans to address non-achievement and timeframes	
											Yes	No				
																in the 4th quarter of 2017/18 financial year
CM35	Development of Land Management Strategy	Institutional	Institutional	R300 000	R300 000	0	Number of Land / Property Management Management Strategies developed	1 Land / Property Management Strategy developed	Land / Property Management strategy	R0	No	0 Land / Property Management Strategy developed	Delays due to late finalisation of Technical evaluation report	Project reprioritised for 2017/2018 financial year		
CM199	Relocation of stand beacons and re-surveys (servitudes, etc.)	Institutional	Institutional	R200 000	R200 000	0	Number of stand beacons relocated as per request	All of stand beacons relocated as per request	Surveyors diagrams and reports	R199 500	Yes	All 47 stand beacons relocated as per request	N/A	N/A		



3.7 Corporate Services

The Annual Performance of the department is summarised as follows:

Department/Unit	Total number of targets	Number of achieved targets (100% success)	Number of targets not achieved
Office of the General Manager	3	3	0
Facilities Management	2	2	0
Human Resource Maintenance and Employment Equity	13	10	3
Human Resource Provisioning and Performance Management	3	3	0
IT, Records Management and Archives	6	5	1
Total	27	23	4
Percentage	100%	85%	15%

3.7.1 Office of the General Manager

The Annual Performance of the section is summarised as follows:

Department/Unit			Total number of targets		Number of achieved targets (100% success)					Number of targets not achieved		
Office of the General Manager			3		3					0		
Percentage			100%		100%					0%		

IDP Number	Project Description	Location	Ward	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/17 Annual Target	Means of Verification	Actual budget spent	Was the target achieved	Actual performance for 2016/17	Reason for non-achievement and variance (deviation)	Plans to address non-achievement and timeframes
											Yes			
Development Priority: Good Governance and institutional development														
CM264	Risks Mitigation	Institutional	Institutional	R0	R0	3	Number of Risk progress reports submitted	3 risk mitigation progress reports submitted	Reports	R0	Yes	3 Risk mitigation progress report submitted	N/A	N/A
CM265	Departmental Review Sessions	Institutional	Institutional	R0	R0	4	Number of departmental performance review sessions conducted	1 department performance review session conducted	Attendance Register	R0	Yes	1 department performance review session conducted	N/A	N/A

IDP Number	Project Description	Location	Ward	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/17 Annual Target	Means of Verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variance (deviation)	Plans to address non-achievement and timeframes
											Yes	No			
Development Priority: Good Governance and institutional development															
							conducted								

3.7.2 Facilities Management

The Annual Performance of the section is summarised as follows:

Department/Unit	Total number of targets	Number of achieved targets (100% success)	Number of targets not achieved
Facilities Management	2	2	0
Percentage	100%	100%	0%

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variance (deviation)	Plans to address non-achievement and timeframes
											Yes	No			
Development Priority: Good Governance and Public Participation															

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variance (deviation)	Plans to address non-achievement and timeframes	
											Yes	No				
Development Priority: Good Governance and Public Participation																
CM66	Renovation of Civic Centres	Institutional	Institutional	R2 000 000	R1 973 645	Civic Centres undergoing continuous renovations	Number of renovation projects completed	2 renovation projects completed	Completion certificates	R3 22 8 084	Yes	5 renovation projects completed	There was a need to do 3 extra renovations	N/A		
CM68	Refurbishment of Civic and Service Centre air conditioners	Institutional	Institutional	R1 000 000	R1 300 000	Refurbishment of air conditioners and plant needed	Number of refurbishment projects completed	2 refurbishment projects completed	Completion certificates	R578 089	Yes	3 projects completed	There was a need to do 1 extra refurbishment project	N/A		

3.7.3 Human Resource Maintenance and Employment Equity

The Annual Performance of the section is summarised as follows:

Department/Unit		Total number of targets	Number of achieved targets (100% success)			Number of targets not achieved		
Human Resource Maintenance and Employment Equity		13	10			3		
Percentage		100%	77%			23%		

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variance (deviation)	Plans to address non-achievement and timeframes
											Yes	No			
Development Priority: Good Governance and Public Participation															
CM50	Medical surveillance	Institutional	Institutional	R1 000 000	R656 320	314 Employees received medical examinations	Number of employees medically examined	542 employees medically examined	Reports	R587 705.42	Yes	545 employees medically examined	Over achievement due to use of mobile services to reach employees at their various work stations has improved attendance significantly	N/A	

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variance (deviation)	Plans to address non-achievement and timeframes
											Yes	No			
Development Priority: Good Governance and Public Participation															
CM51	Employee Wellness programmes	Institutional	Institutional	R800 000	R769 342	20 employees and councillors received assistance through Wellness Programmes	Number of employees requiring wellness programme assisted	All employees requiring wellness programme assisted	Statistical report from the service provider	R419 399.88	Yes	32 employees needing assistance were referred	N/A	N/A	
CM52	Employee Wellness interventions	Institutional	Institutional	R800 000	R792 970	2 wellness interventions conducted	Number of wellness interventions conducted	4 wellness interventions conducted	Reports and attendance registers	R475 503.00	Yes	7 wellness interventions conducted	3 more programmes were conducted due to demand from employees	N/A	
CM55	Training of Senior Managers and Managers on matters of disciplinary hearings	Institutional	Institutional	R500 000	R440 000	Last training conducted in 2009	Number of workshops for Chairpersons and Prosecutors conducted	2 workshops for Chairpersons and Prosecutors conducted	Attendance registers	R0	No	0 workshops for Chairpersons and Prosecutors conducted	None attendance by Senior Managers	Project to be implemented during 2017/2018 financial year	

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variance (deviation)	Plans to address non-achievement and timeframes
											Yes	No			
Development Priority: Good Governance and Public Participation															
CM58	Skills Audit	Institutional	Institutional	R500 000	R500 000	Last skills audit conducted in 2013/14 FY	Number of skills audits conducted	1 Skills audit report	Skills audit report	R285 000	Yes		1 Skills audit conducted	N/A	N/A
							Number of personal development plan reports compiled	1 personal development plan report compiled	Personal development plan report	R0	Yes		1 personal development plan report compiled	N/A	N/A
CM59	Qualification Audit	Institutional	Institutional	R1 000 000	000	None	Number of senior management qualifications audited	40 senior management qualifications audited	Audit Report	R0	Yes		40 senior management qualifications audited	N/A	N/A
CM60	RPL (Recognition of Prior Learning)	Institutional	Institutional	R250 000	R250 000	7 employees assessed for RPL	Number of employees assessed for RPL	7 employees assessed for RPL	Assessment Outcome Reports	R250 000	Yes		7 employees assessed for RPL	N/A	N/A
CM61	Entry Level Management	Institutional	Institutional	R1 000 000	R1 000 000	16 workshops	Number of workshops conducted	2 workshops conducted	Attendance Registers	R835 000	Yes		16 workshops	The available budget	N/A

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variance (deviation)	Plans to address non-achievement and timeframes
											Yes	No			
Development Priority: Good Governance and Public Participation															
	Supervisory Training						conducted	for Line Managers (Entry Management skills)	for Line Managers (Entry Management skills)	& Certificates			conducted for Line Managers (Entry Management skills)	allowed for 14 more workshops to be conducted	
CM62	Learnership programme	Institutional	Institutional	R700 000	R700 000	50 Learners Trained	Number of learners trained	50 Learners Trained	Final assessment Outcome Reports	R0	No	0 Learners Trained	Delays due to procurement processes	Project will be implemented in the 2017/2018 financial year	
CM63	OHS Training	Institutional	Institutional	R600 000	R473 027	OHS Regulation 8 employees to be trained	Number of employees trained	120 employees trained	Attendance registers	R317 500	Yes	230 Employees Trained	More people were trained due to reduced negotiated price	N/A	
CM64	OHS Audit	Institutional	Institutional	R200 000	R200 000	Safety Audit not compliant to safety regulations	Number of work areas audited on Occupational Health and Safety (OHS)	5 work areas audited on OHS	Audit report	R0	No	0 work areas audited on OHS	Project was reprioritised	Project reprioritised for 2018/2019 financial year	
CM65	OHS Awareness	Institutional	Institutional	R150 000	R27 183	Lack of OHS awareness	Number of OHS awareness programmes conducted	3 OHS awareness programmes	Reports	R24 860	Yes	3 OHS Awareness Programmes	N/A	N/A	

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variance (deviation)	Plans to address non-achievement and timeframes
											Yes	No			
Development Priority: Good Governance and Public Participation															
														conducted	



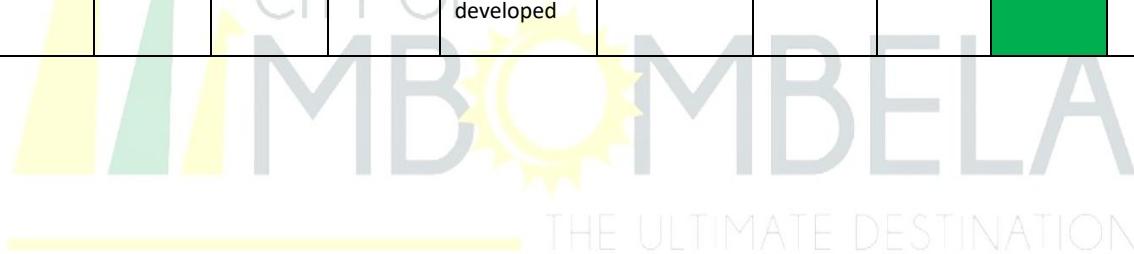
3.7.4 Human Resource Provisioning and Performance Management

The Annual Performance of the section is summarised as follows:

Department/Unit	Total number of targets	Number of achieved targets (100% success)	Number of targets not achieved
Human Resource Provisioning and Performance Management	3	3	0
Percentage	100%	100%	0%

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved	Actual performance for 2016/17	Reason for non-achievement and variance (deviation)	Plans to address non-achievement and timeframes	
											Yes				
Development Priority: Good Governance and Public Participation															
CM53	HR Workflow	Institutional	Institutional	R500 000	R500 000	System not fully developed	Number of users trained	10 Users trained	Attendance registers	203558, 00	Yes	18 Users trained	8 more people were trained due to availability of budget	N/A	

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variance (deviation)	Plans to address non-achievement and timeframes	
											Yes	No				
Development Priority: Good Governance and Public Participation																
								Number of modules refined	2 Modules refined	System Reports	71934,00	Yes	2 Modules refined	N/A	N/A	
CM54	PMS Cascading	Institutional	Institutional	R350 000	R570 000	None	Number of PMS implementation plans developed	1 PMS implementation plan developed	PMS implementation plan	R61 000	Yes	1 PMS implementation plan developed	N/A	N/A		



3.7.5 IT, Records Management and Archives

The Annual Performance of the section is summarised as follows:

Department/Unit	Total number of targets	Number of achieved targets (100% success)	Number of targets not achieved
IT, Records Management and Archives	6	5	1
Percentage	100%	83%	17%

IDP Number	Project Description	Location	Ward	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/17 Annual Target	Means of Verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variance (deviation)	Plans to address non-achievement and timeframes	
											Yes	No				
Development Priority: Good Governance and institutional development																
CoM226	Purchase of Computer Equipment	Institutional	Institutional	R4 000 000	R4 621 938	Old and redundant end user equipment being replaced	% of New/upgrade of end user equipment completed	100% New/upgrade of end user equipment completed	New/Upgraded end user equipment list	R 4 484 339	Yes		100% of end user equipment completed	N/A	N/A	
CoM227	New / Upgrade Server and	Institutional	Institutional	R2 000 000	R2 700 000	Old and redundant	% of New/upgrade of server /	100% New/upgrade of server /	New/Upgraded server /	R 2 690 723	Yes		100% of server/network	N/A	N/A	

IDP Number	Project Description	Location	Ward	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/17 Annual Target	Means of Verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variance (deviation)	Plans to address non-achievement and timeframes	
											Yes	No				
Development Priority: Good Governance and institutional development																
	Network infrastructure						server and network equipment to be replaced	network equipment completed	network equipment completed	network equipment list			equipment completed			
CoM229	Upgrade CCTV system	Institutional	Institutional	R500 000	R470 000	Old and redundant CCTV equipment to be replaced	% of New/upgrade of CCTV equipment completed	100% New/upgrade of CCTV equipment completed	New/Upgrade CCTV equipment list	R 464 862	Yes	100% of New/upgrade of CCTV system completed	N/A	N/A		
CoM230	New / Upgrade Software	Institutional	Institutional	R1 000 000	R1 000 000	Old and redundant software to be replaced	% of New/upgrade of Electronic software finalised	100% New/upgrade of Electronic software finalised	New/Upgraded software list	R 897 347	Yes	100% New/upgrade of Electronic software finalised	N/A	N/A		

Operating Projects

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variance (deviations)	Plans to address non-achievement and timeframes	
											Yes	No				
Development Priority: Good Governance and Public Participation																
CM69	Disaster recovery & business continuity plan and systems	Institutional	Institutional	R3 500 000	R1 855 426	0	Number of testing and recommendation reports compiled	1 Testing and recommendation report compiled	Testing and recommendation report	R 1 855 421	Yes	100% of 1 Testing and recommendation report compilation completed	N/A	N/A		
CM70	Office Automation	Institutional	Institutional	R4 000 000	R2 000 000	0	% of office automation systems rolled out	100% of office automation systems rolled out	Report	R734 972	No	65% of office automation systems rolled out	Delay due to tender processes and SLA finalisation	Project will be fast tracked in the new financial year		

3.8 Financial Management

The Annual Performance of the department is summarised as follows:

Department/Unit	Total number of targets	Number of achieved targets (100% success)	Number of targets not achieved
Office of the Chief Financial Officer	4	3	1
Office of the Deputy Chief Financial Officer	16	13	3
Supply Chain Management	6	5	1
Asset Management	6	1	5
Revenue Management	9	6	3
Accounting and Reporting Services	9	8	1
Municipal Valuations and Rating	6	6	0
Total	56	42	14
Percentage	100%	75%	25%

3.8.1 Office of the Chief Financial Officer

The Annual Performance of the section is summarised as follows:

Department/Unit			Total number of targets			Number of achieved targets (100% success)						Number of targets not achieved		
Office of the Chief Financial Officer			4			3						1		
Percentage			100%			75%						25%		

IDP Number	Project Description	Location	Ward	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/17 Annual Target	Means of Verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variance (deviation)	State plan to address non-achievement and timeframe	
											Yes	No				
Development Priority: Good Governance and Institutional development																
CM266	Risks Mitigation	Institutional	Institutional	R0	R0	3	Number of Risk progress reports submitted	3 risk mitigation progress reports submitted	Reports	R0	Yes	3 risk mitigation progress reports submitted	N/A	N/A		
CM200	Compilation of Financial Statements and	Institutional	Institutional	R0	R0	Unqualified audit opinion with no findings obtained	Unqualified audit opinion with no findings obtained	Audit Report for the year-ended 30 June	R0	No	Unqualified audit opinion with matters of emphasis	Non-compliance with Legislation matters were raised	Implementation of the remedial action plan to address the audit findings.			

IDP Number	Project Description	Location	Ward	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/17 Annual Target	Means of Verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variance (deviation)	State plan to address non-achievement and timeframe	
											Yes	No				
Development Priority: Good Governance and Institutional development																
	audit process					gs	for the year-ended 30 June 2016	obtained for the year-ended 30 June 2016	2016				obtained for the year ended 30 June 2016	including Irregular Expenditure and Non-payment of suppliers within 30 days on receipt of the invoices	Implementation of the Revenue Enhancement Strategy approved by Council at its meeting held 31 May 2017 under item A(4) Implementation of the Supply Chain Management Sourcing Strategy approved by Council at its meeting held 28 June 2017 under item A(4).	
CM267	Departmental Review Sessions	Institutional	Institutional	R0	R0	4	Number of departmental performance review sessions conducted	1 department performance review session conducted	Attendance Register	R0	Yes		1 department performance review session conducted	N/A	N/A	

3.8.2 Office of the Deputy Chief Financial Officer

The Annual Performance of the section is summarised as follows:

Department/Unit	Total number of targets	Number of achieved targets (100% success)	Number of targets not achieved
Office of the Deputy Chief Financial Officer	16	13	3
Percentage	100%	81%	23%

IDP Number	Project Description	Location	Ward	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of Verification	Actual budget spent	Was the target achieved	Actual performance for 2016/17	Reason for non-achievement and variance (deviation)	State plan to address non-achievement and timeframe	
											Yes				
Development Priority: Financial Management															
CoM2 33	Procurement of mSCOA compliant system (ERP)	Institutional	Institutional	R3 000 000	R5 166 162	0	Number of mSCOA compliant Enterprise Resource Planning (ERP)systems procured	1 mSCOA compliant ERP system procured	Invoice	R5 166 162	Yes	1 mSCOA compliant ERP (Solar) system procured	N/A	N/A	

Operating Projects

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variance (deviation)	State plan to address non-achievement and timeframe
											Yes	No			
Development Priority: Financial Management															
CM128	Implementation of the mSCOA compliant system	Institutional	Institutional	R500 000	R318 402	mSCOA project plan developed implemented	Budget converted to mSCOA regulated version	Budget converted into mSCOA version 6.1	Report	R76 266	Yes		Budget converted into mSCOA version 6.1 and successfully loaded onto National Treasury portal 22 June 2017.	N/A	N/A
				0			Number of sub-systems seamlessly integrated/interfaced into the ERP financial system	6 sub-systems seamlessly integrated/interfaced into the ERP financial system	Report	R76 266	No		5 sub-systems seamlessly integrated/interfaced into the ERP financial system	The minimum system requirements for the required Asset Management subsystem was not part of the system vendor's package.	The Seamlessly Integrated Asset Management Subsystem will be implemented by 31 December 2017

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved	Actual performance for 2016/17	Reason for non-achievement and variance (deviation)	State plan to address non-achievement and timeframe
											Yes			
Development Priority: Financial Management														
CM1 33	Cost structure review and determination of cost reflective tariffs	Institutional	Institutional	R3 400 000	R3 400 000	2 Cost structures reviewed and cost reflective tariffs determined for Water and Sanitation	Number of Cost structures reviewed and cost reflective tariffs determined	2 Cost structures reviewed and cost reflective tariffs determined	Costing structure review report	R2 693 902	No	1 Public Lighting Cost structure reviewed and cost reflective tariff determined	The amalgamation has resulted in the delay to the project as the costing exercise had to be conducted for the City and the contract subsequently expired.	Appointment of a service provider to conduct an activity based costing exercise for the City of Mbombela to be finalised by 31 December 2017.
CM2 01	Compliance with MFMA budget process framework	Institutional	Institutional	R0	R0	2016/17 final budget was approved on 31 May 2016	2017/2018 Draft Budget adopted by Council within stipulated date	2017/2018 Draft Budget adopted by Council by 31 March 2017	Council Resolutions	R0	Yes	2017/2018 Draft Budget adopted by Council on 31 March 2017 under item A(3)	N/A	N/A

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved	Actual performance for 2016/17	Reason for non-achievement and variance (deviation)	State plan to address non-achievement and timeframe
				Yes	No									
Development Priority: Financial Management														
							2017/2018 final Budget approved by Council within stipulated date	2017/2018 final Budget approved by Council by 31 May 2017		R0	Yes	2017/2018 final Budget approved by Council on 31 May 2017 under item A(2).	N/A	N/A
							2016/2017 adjustment Budget approved by Council within stipulated date	2016/2017 adjustments budget approved by 28 February 2017		R0	Yes	2016/2017 adjustments budget approved by Council on 28 February 2017 under item A(1).	N/A	N/A
CM202	Compliance with MFMA in-year reporting framework	Institutional	Institutional	R0	R0	Compliance with MFMA in-year reporting framework	Number of budget performance reports submitted within the legislated timeframe	11 budget performance reports submitted to the Executive Mayor and National Treasury by the 14th of every month	Proof of submission for the reports	R0	Yes	11 budget performance reports submitted to the Executive Mayor and National Treasury by the 14th of every month	N/A	N/A

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variance (deviation)	State plan to address non-achievement and timeframe
											Yes	No			
Development Priority: Financial Management															
								3 Quarterly budget performance reports submitted to council	Council Resolutions	R0	Yes		3 Quarterly budget performance reports submitted to council	N/A	N/A
							Compliance with MFMA in-year reporting framework	Number of Mid-year budget performance report submitted to Council within the stipulated timelines.	1 Mid-year budget performance report submitted to Council within the stipulated timelines	Proof of submission for the reports and council resolution	R0	Yes	1 Mid-year budget performance report submitted to Council on 31 January 2017 under item A(7)	N/A	N/A
CM203	Budget and cashflow management	Institutional	Institutional	R0	R0	Cash coverage improved to 1.1 times to fixed operating commitments.	Cash coverage improved in line to fixed operating commitments in line with the approved budget modelling	Cash coverage improved to 0.8 times to fixed operating commitments	Quarterly budget performance reports	R0	No		Cash coverage improved to 0.37 times to fixed operating commitments	The variance is due to Cash flow constraint faced by the municipality.	Implementation of the financial interventions, revenue enhancement and collection strategies together with the

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variance (deviation)	State plan to address non-achievement and timeframe	
											Yes	No				
Development Priority: Financial Management																
																cost curtailment strategies in order to improve financial and liquidity management objectives.
CM204	Risks Mitigation	Institutional	Institutional	R0	R0	1	Number of Action Plans developed	1 Action Plan developed	Action plan	R0	Yes	1 Action Plan developed	N/A	N/A		
							4 risks mitigation progress reports submitted in 2015/16 Financial year	Number of risks mitigation progress reports submitted	3 risks mitigation progress reports submitted	Progress Reports	R0	Yes	3 risks mitigation progress reports submitted	N/A	N/A	
CM205	Conduct systems administrator review	Institutional	Institutional	R0	R0	4 Systems administrator reviews	Number of Systems administrator reviews	4 Systems administrator reviews	Review reports	R0	Yes	4 Systems administrator reviews	N/A	N/A		

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved	Actual performance for 2016/17	Reason for non-achievement and variance (deviation)	State plan to address non-achievement and timeframe
Development Priority: Financial Management														
	functions					conducted	conducted	conducted				conducted		
CM206	Implementation of Budget and Reporting Processes	Institutional	Institutional	RO	RO	10	Number of zonal meetings conducted	10 zonal meetings conducted	Attendance registers	RO	Yes	10 zonal meetings conducted	N/A	N/A
				4			Number of in-year budget performance reports published	4 budget in-year performance report published	Copies of public notices published	RO	Yes	4 budget in-year performance report published	N/A	N/A

3.8.3 Supply Chain Management

The Annual Performance of the section is summarised as follows:

Department/Unit	Total number of targets	Number of achieved targets (100% success)	Number of targets not achieved
Supply Chain Management	6	5	1
Percentage	100%	83%	17%

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variance (deviation)	State plan to address non-achievement and timeframe	
											Yes	No				
Development Priority: Financial Management																
CM130	Municipal Stores business processes review and audit	Institutional	Institutional	R 1 000 000	R1 000 000	1 Outdated business processes document	Number of municipal stores business processes documents updated	1 municipal stores business processes document updated	Updated municipal stores business processes document	R1 000 000	Yes		1 municipal stores business processes document updated	N/A	N/A	
CM207	Supply Chain Management	Institutional	Institutional	R0	R0	4 SCM quarterly report submitt	Number of SCM quarterly reports	4 Supply Chain Management	Proof of submission	R0	Yes		4 Supply Chain Management	N/A	N/A	

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variance (deviation)	State plan to address non-achievement and timeframe	
											Yes	No				
Development Priority: Financial Management																
CM209	performance reporting framework					ed	submitted in accordance with Supply Chain Management Regulations	reports submitted within the stipulated date					reports submitted within the stipulated date			
							1 Annual SCM report submitted to Council in 2015/16 FY	Annual SCM report submitted to Council in accordance with Supply Chain Management Regulations	Annual SCM report submitted to Council in accordance with Supply Chain Management Regulations by 30 July 2016	Council resolution	RO	No	Annual SCM report submitted to council 30 August 2016 under item A(2)	Council meeting was held in August 2016 due to the local government election process.	Strict adherence to the legislation compliance calendar.	
		Institutional	Institutional	RO	RO	4 Supply Chain	Number of deviation from	4 Supply Chain Manage	Report and Council	RO	Yes	4 Supply Chain Managem	N/A	N/A		

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variance (deviation)	State plan to address non-achievement and timeframe	
											Yes	No				
Development Priority: Financial Management																
							Management reports on deviation from normal processes submitted in 2015/16 FY		normal Supply Chain Management processes reports submitted	ment reports on deviation from normal processes submitted	resolution			ent reports on deviation from normal processes submitted		
CM210	Effective Supply Chain Demand Management processes	Institutional	Institutional	R0	R0	2015/2016 Annual procurement plans in line with the SDBIP compiled	Annual municipal procurement plan approved in line with the SDBIP	2016/2017 Annual municipal procurement plan approved in line with the SDBIP	Approved procurement plan	R0	Yes		2016/2017 Annual municipal procurement plan approved in line with the SDBIP	N/A	N/A	
CM211	Conduct municipal stores inventory count	Institutional	Institutional	R0	R0	4 municipal stores inventory count	Number of municipal stores inventory count	4 municipal stores inventory count	Inventory count reports	R0	Yes		4 municipal stores inventory count	N/A	N/A	

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variance (deviation)	State plan to address non-achievement and timeframe
											Yes	No			
Development Priority: Financial Management															
	(stock count)					conducted	conducted	conducted					conducted		

3.8.4 Asset Management

The Annual Performance of the section is summarised as follows:

Department/Unit		Total number of targets		Number of achieved targets (100% success)				Number of targets not achieved		
Asset Management		6		1				5		
Percentage		100%		17%				83%		

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variance (deviation)	State plan to address non-achievement and timeframe
											Yes	No			
Development Priority: Waste and Environmental management															
CoM 165	Solid Waste Manage	Institutional	Institutional	R5 000 000	R4 000 000	Old solid waste	Number of Solid	2 Solid waste	Delivery Note and payment	R0	No	0 Solid waste	The funding was	An official order for 1 Solid waste	

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variance (deviation)	State plan to address non-achievement and timeframe	
											Yes	No				
Development Priority: Waste and Environmental management																
	ment Fleet					fleet	waste management fleet purchased	management specialised vehicles purchased	certificate				management specialised vehicles purchased	reprioritised during the 2016/2017 adjustment budget.	management fleet and vehicle have been issued and will be delivered during 2017/2018 financial year	
Development Priority: Community Development																
CoM 182	Matsulu Fire Station Fleet	28	Matsulu	R4 000 000	R2 000 000	No vehicles for the new fire station	Number of specialised fire vehicles purchased	2 Specialised vehicle fire vehicle purchased	Delivery Note and payment certificate	RO	Yes	0 Specialised vehicle fire vehicle purchased	The funding was reprioritised during the 2016/2017 adjustment budget.	The procurement of the 2 specialised fire vehicles will be done during the 2017/2018 financial year		
CoM 195	8 x Motorcycles (Traffic Services)	Institutional	Institutional	R750 000	R750 000	No traffic motor cycles	Number of traffic motor cycles purchased	3 traffic motor cycles purchased	Delivery Note and payment certificate	RO	No	The leasing option bid was tabled before the Bid	The funding was reprioritised during the	The procurement of the 3 traffic motor cycles will		

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variance (deviation)	State plan to address non-achievement and timeframe	
											Yes	No				
Development Priority: Waste and Environmental management																
														Evaluation Committee.	2016/2017 adjustment budget.	be done during 2017/2018 financial year.
CoM 220	Procurement of Fleet (1 Crane Truck and 6 LDV's)	Institutional	Institutional	R 3 300 000	R2 300 00	Old Fleet	Number of crane truck purchased	1 crane truck purchased	Delivery Note and payment certificate	RO	No		An official order for the purchase of 1 crane truck has been issued and the truck will be delivered during 2017/2018 financial year	The funding was reprioritised during the 2016/2017 adjustment budget.	The truck will be delivered during 2017/2018 Financial year.	

Operating Projects

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variance (deviation)	State plan to address non-achievement and timeframe
											Yes	No			
Development Priority: Financial Management															
CM1 29	Update and Maintenance of asset register	Institutional	Institutional	R3 700 000	R6 576 750	2014/15 Immovable Asset register updated	% of asset Immovable Asset register updated	100% of immovable asset register updated	GRAP Compliant Immovable Asset register	R12 717 723	Yes		100% Immovable asset register updated	N/A	N/A
CM1 32	Operationalization of Fleet and Fuel Management System	Institutional	Institutional	R3 500 000	R3 239 841	Fleet and Fuel systems installed on Council vehicles	% reduction of fleet and fuel operating costs	10% reduction of fleet and fuel operating costs	Report	R3 823 380	No		0% reduction of fleet and fuel operating costs	The cost savings were not realised due to the addition of former Umjindi fleet	The additional fleet will be included into the fuel and fleet management system. The Key performance indicator will be reviewed during the 2017/18 financial year

3.8.5 Revenue Management

The Annual Performance of the section is summarised as follows:

Department/Unit	Total number of targets	Number of achieved targets (100% success)	Number of targets not achieved
Revenue Management	9	6	3
Percentage	100%	67%	33%

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variance (deviation)	State plan to address non-achievement and timeframe	
											Yes	No				
Development Priority: Revenue Enhancement																
CM26	Customer awareness programmes	Institutional	Institutional	R1 500 000	R900 000	2	Number of Revenue Enhancement Customer Awareness and Education programmes conducted	4 Revenue Enhancement Customer Awareness and Education programmes conducted	Quarterly implementation reports	R 947 555	Yes		4 Revenue Enhancement Customer Awareness and Education programmes conducted	N/A	N/A	

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variance (deviation)	State plan to address non-achievement and timeframe	
											Yes	No				
Development Priority: Revenue Enhancement																
CM27	MMS and SMS System	Institutional	Institutional	R2 105 263	R2 000 000	49 304 accounts sent via MMS technology	Number of accounts sent to customers via MMS technology	49200 accounts sent to customers via MMS technology	MMS Report	R 1 991 670	Yes		49 538 accounts sent to customers via MMS technology on average. Apr – 49 491 May - 49 573 June - 49 551	N/A	N/A	
CM28	Billing Database Audit and cleansing	Institutional	Institutional	R1 000 000	R500 000	Non credible billing database	% Billing Database Audited	100% of Billing database audited	Gap analysis report	R0	No		Investigation into the former Umjindi billing variances conducted. The financial system vendor has been commissioned to conduct the system data analysis	Identification of affected meters was not completed due to data analysis not conducted .	The project has been identified as part of the Revenue Enhancement Strategy implementation.	

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variance (deviation)	State plan to address non-achievement and timeframe	
											Yes	No				
Development Priority: Revenue Enhancement																
CM131	Revenue cycle business process mapping	Institutional	Institutional	R500 000	R500 000	Outdated business processes document	Number of business processes document updated	1 business processes document updated	Updated business processes document	RO	Yes		1 business processes document updated as part of the mSCOA business processes high level development.	N/A	N/A	
CM212	Enhancement of revenue generation measures	Institutional	Institutional	RO		98% monthly meter reading rate attained	% monthly meter reading rate achieved	98% monthly meter reading rate attained	Meter reading report	RO	Yes		98.63% monthly meter reading rate attained. Apr – 99.00% May – 98.55% June – 98.35%	N/A	N/A	

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variance (deviation)	State plan to address non-achievement and timeframe	
											Yes	No				
Development Priority: Revenue Enhancement																
CM213	Enhancement of revenue generation measures	Institutional	Institutional	R0			92.91% monthly meter reading accuracy rate attained	% monthly meter reading accuracy rate achieved	95% monthly meter reading accuracy rate attained	Meter reading report	R0	Yes	95.18% monthly meter reading accuracy rate attained. Apr – 95.89% May – 93.55% June – 96.09%	N/A	N/A	
CM214	Services Charge revenue projections	Institutional	Institutional	R0			100 % services charge revenue (electricity, water, sewerage and refuse removal)	% services charge revenue (electricity, water, sewerage and refuse removal) projection	100% services charge revenue (electricity, water, sewerage and refuse removal)	Quarterly budget performance reports	R0	No	98% services charge revenue (electricity, water, sewerage and refuse removal) projections	Electricity revenue decline with 95% performance achieved due to the variance	Implementation of the approved revenue enhancement strategy	

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variance (deviation)	State plan to address non-achievement and timeframe
											Yes	No			
Development Priority: Revenue Enhancement															
							projection s achieved in line with approved budget	s achieved in line with approved budget	refuse removal)				achieved in line with approved budget	between the dummy billing versus final billing.	
CM2 15	Enhancement of revenue collection	Institutional	Institutional	R0			98.31% monthly average collection rate attained	% monthly average collection rate attained	95% monthly average collection rate attained	Debtor Payment Rate Report	R0	No	92% monthly average collection rate attained	During the year in July, August and November payment rates recorded were as low as 57%. This is due to low payment	Measures to improve collection or payment levels is part of the intervention plans incorporated into the approved Revenue Enhancement Strategy.

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variance (deviation)	State plan to address non-achievement and timeframe
											Yes	No			
Development Priority: Revenue Enhancement															
CM2 16	Revenue Enhancement Programme	Institutional	Institutional	R0			Electricity and Water meters replaced not captured and billed on the billing system	Number of faulty / suspected tamper electricity and water meters reported for replacement	All faulty / suspected tamper electricity and water meters reported for replacement	Electricity and Water Replacement Reports and Billing System Reports	Yes	All faulty / suspected tamper electricity and water meters identified reported for replacement	N/A	N/A	

3.8.6 Accounting and Reporting Services

The Annual Performance of the section is summarised as follows:

Department/Unit		Total number of targets		Number of achieved targets (100% success)					Number of targets not achieved			
Accounting and Reporting Services		9		8					1			
Percentage		100%		89%					11%			

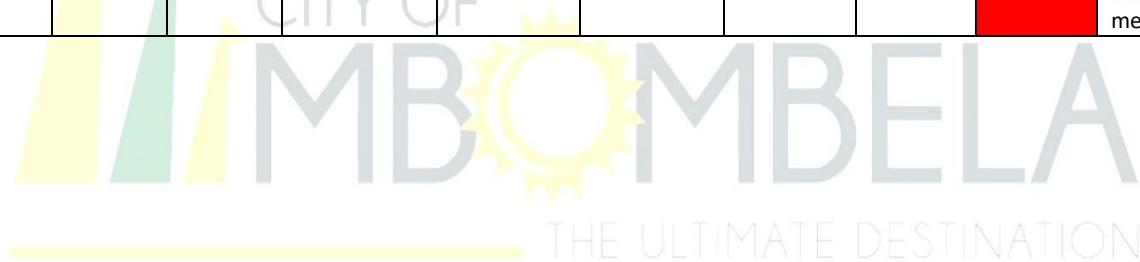
IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variance (deviation)	State plan to address non-achievement and timeframe
											Yes	No			
Development Priority: Financial Management															
CM2 17	Quality review of annual financial statements	Institutional	Institutional	R0	R0	Quality review of 2014/2015 annual financial statements conducted	Quality and compliance review of annual financial statements conducted	Quality and compliance review of 2015/2016 annual financial statements conducted	Compliance and quality review report	R 51 300	Yes		Quality and compliance review of 2015/2016 annual financial statements conducted	N/A	N/A
CM2 18	Review of provision for rehabilitation of landfill	Institutional	Institutional	R0	R0	2014/2015 provision for rehabilitation of landfill sites	Provision for rehabilitation of landfill sites	2015/2016 provision for rehabilitation of landfill sites	Consolidated Report on the provision for	R 119 512	Yes		2015/2016 provision for rehabilitation of landfill	N/A	N/A

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variance (deviation)	State plan to address non-achievement and timeframe	
											Yes	No				
Development Priority: Financial Management																
	sites					reviewed	reviewed	sites reviewed	rehabilitation of landfill sites				sites reviewed			
CM219	Actuarial valuation of defined benefit plans	Institutional	Institutional	R 121 686	R 121 686	2014/2015 actuarial valuation of defined benefit plans conducted	Actuarial valuation of defined benefit plans conducted	2015/2016 actuarial valuation of defined benefit plans conducted	Actuarial valuation report	R 121 686	Yes		2015/2016 actuarial valuation of defined benefit plans conducted	N/A	N/A	
CM220	Implement Business Intelligence Bank Payment system	Institutional	Institutional	RO	RO	Outdated electronic Bank System implemented	% Business Intelligence Bank System with match database implemented	100% Business Intelligence Bank System with match database implemented	Business Intelligence Bank System Agreement	RO	Yes		100% Business Intelligence Bank System with match database implemented	N/A	N/A	
CM221	Implementation of AFS system	Institutional	Institutional	RO	RO	Interim financial statements for 31 December 2015 prepared on AFS system	Annual financial statements prepared on AFS application system	2015/2016 annual financial statements prepared on AFS application system	2015/2016 annual financial statements prepared on AFS application system	RO	Yes		2015/2016 annual financial statements prepared on AFS application system	N/A	N/A	

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variance (deviation)	State plan to address non-achievement and timeframe	
											Yes	No				
Development Priority: Financial Management																
CM22	Compliance to MFMA section 32 (4) reporting of irregular, unauthorised, wasteful and fruitless expenditure	Institutional	Institutional	R0	R0	Quarterly reporting of the unlawful expenditure in accordance with MFMA	Number of Unlawful expenditure reports submitted to the Auditor General and MEC for Local Government	4 Unlawful expenditure reports submitted to the Auditor General and MEC for Local Government	Proof of submission	R0	Yes		4 Unlawful expenditure reports submitted to the Auditor General and MEC for Local Government	N/A	N/A	
CM23	Mbombela Stadium operating revenue and expenditure reconciliation and accrual	Institutional	Institutional	R0	R0	Mbombela Stadium operating revenue and expenditure reconciliation and accrual on quarterly basis	Number of Mbombela Stadium operating revenue and expenditure reconciliation and accrual conducted	4 reconciliation and accrual of Mbombela Stadium operating revenue and expenditure conducted	Quarterly financial reports	R0	Yes		4 reconciliation and accrual of Mbombela Stadium operating revenue and expenditure conducted	N/A	N/A	

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variance (deviation)	State plan to address non-achievement and timeframe	
											Yes	No				
Development Priority: Financial Management																
CM224	2015/2016 Audited financial statements and audit report	Institutional	Institutional	RO	RO	2014/2015 audited financial information, audit report and remedial action plan tabled to council on 28 January 2016	2015/2016 audited financial statements , audit report and audit findings remedial action plan tabled to council within stipulated timelines	2015/2016 audited financial statements , audit report and audit findings remedial action plan tabled to council by 31 January 2017	Council resolution	RO	Yes	2015/2016 audited financial statements , audit report and audit findings remedial action plan tabled before council at its meeting held 31 January 2017 under item A(1), A(2) and A(3).	N/A	N/A		
						1	Number of progress reports on the remedial action plan to address audit findings	1 progress report on the remedial action plan to address audit findings submitted	Progress report	RO	No	1 progress report on the remedial action plan to address audit findings tabled	Lack of personnel due to the placement of staff not being finalised.	The progress report will be tabled during the first quarter of 2017/2017 Financial		

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variance (deviation)	State plan to address non-achievement and timeframe	
											Yes	No				
Development Priority: Financial Management																
								submitted to Council	Council				before Audit Committee meeting , joint management and Mayoral Committee meeting			Year upon the finalisation of the Annual Financial Statements.



3.8.7 Municipal Valuations and Rating

The Annual Performance of the section is summarised as follows:

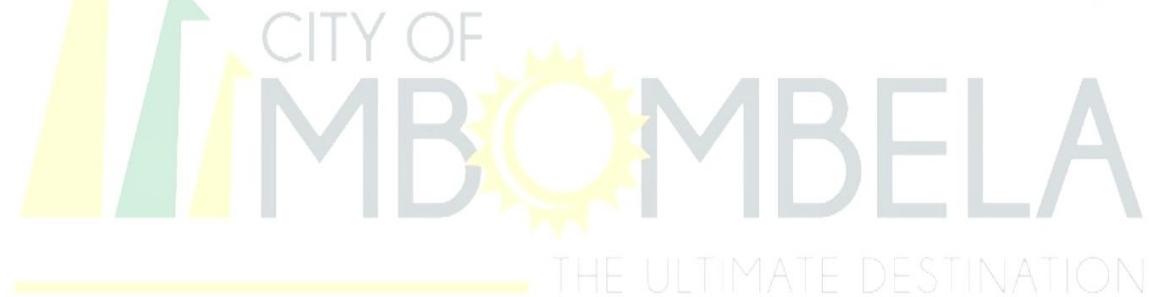
Department/Unit		Total number of targets	Number of achieved targets (100% success)					Number of targets not achieved		
Municipal Valuations and Rating		6	6					0		
Percentage		100%	100%					0%		

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved	Actual performance for 2016/17	Reason for non-achievement and variance (deviation)	State plan to address non-achievement and timeframe
											Yes			
Development Priority: Revenue Enhancement														
CM25	Update of the General Valuation Roll	Institutional	Institutional	R500 000	R309 755	2014-2018 General valuation roll	Number of certified supplementary valuation roll	1 certified supplementary valuation roll	Certified supplementary valuation roll	R 169 654	Yes	1 certified supplementary valuation roll	N/A	N/A
						5 Appeals	Number of valuation appeals	All valuation appeals	Valuation appeals roll	R0	Yes	No valuation appeals have been	N/A	N/A

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variance (deviation)	State plan to address non-achievement and timeframe
											Yes	No			
Development Priority: Revenue Enhancement															
								appeals received per roll decided	received per roll decided					received for the 2016/2017 Financial Year	
CM225	Compilation of general valuation roll (2018-2023)	Institutional	Institutional	R0	R0	2014-2018 General valuation roll (Former Umjindi and former Mbombe la)	Number of property master files compiled	1 consolidated property master file compiled	Consolidated property master file	R0	Yes	1 consolidated property master file compiled	N/A	N/A	

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variance (deviation)	State plan to address non-achievement and timeframe	
											Yes	No				
Development Priority: Revenue Enhancement																
CM226	Property Rates revenue projections achieved			RO	RO	2015/2016 Property rates revenue projections achieved as per approved budget	% property rates revenue projections achieved	100% property rates revenue projections achieved	Quarterly budget performance reports	RO	Yes	104% property rates revenue projections achieved	The deviation is due to the implementation of the regular Supplementary Valuations.	N/A		
CM227	Revenue Enhancement Programme	Institutional	Institutional	RO	RO	New project – no baseline	% of properties not billed for refuse removal identified	100% of properties not billed for refuse removal identified	Property valuation report	RO	Yes	100% of properties not billed for refuse removal identified	N/A	N/A		
CM228	Revenue Enhancement Programme	Institutional	Institutional	RO	RO	New project – no baseline	% government properties in communal and state	100% government properties in communal and state	Service Provider Close Out Report and Supplementary	RO	Yes	100% government properties in communal and state trust land	N/A	N/A		

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variance (deviation)	State plan to address non-achievement and timeframe
											Yes	No			
Development Priority: Revenue Enhancement															
							trust land included in the General Valuation Roll	trust land included in the General Valuation Roll	Valuation Roll				included in the General Valuation Roll		



3.9 Legal Services

The Annual Performance of the department is summarised as follows:

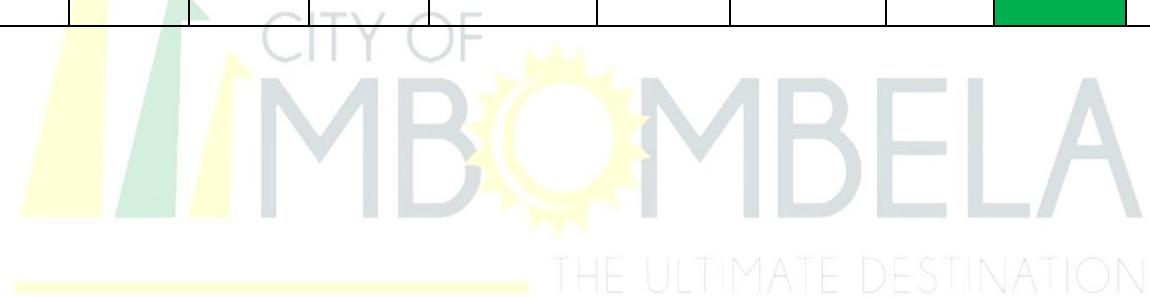
Department/Unit	Total number of targets	Number of achieved targets (100% success)	Number of targets not achieved
Legal Services	8	8	0
Percentage	100%	100%	0%

IDP Number	Project Description	Location	Ward	2016/2017 Budget	Baseline	Key Performance Indicator	2016/17 Annual Target	Means of Verification	Actual budget spent	Was the target achieved	Actual performance for 2016/17	Reason for non-achievement and variance (deviation)	State plan to address non-achievement and timeframe
										Yes	No		
Development Priority: Good Governance and Institutional Development													
CM268	Risks Mitigation	Institutional	Institutional	R0	3	Number of Risk progress reports submitted	3 risk mitigation progress reports submitted	Reports	R0	Yes	3 risk mitigation progress reports submitted	N/A	N/A
					1	Number of Action Plans developed	1 Action Plan developed	Action Plan	R0	Yes	1 Action Plan developed	N/A	N/A

IDP Number	Project Description	Location	Ward	2016/2017 Budget	Baseline	Key Performance Indicator	2016/17 Annual Target	Means of Verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variance (deviation)	State plan to address non-achievement and timeframe
										Yes	No			
CM269	Departmental Review Sessions	Institutional	Institutional	R0	4	Number of departmental performance review sessions conducted	1 department performance review session conducted	Attendance Register	R0	Yes		1 department performance review session conducted	N/A	N/A
CM229	Legal Advice	institutional	Institutional	R0	0	Number of advice request received, attended and Competed	Number of advice request received, attended and Competed	Number of advice request received, attended and Competed	R0	Yes		63 advice request received, attended and Competed	N/A	N/A
CM230	Vetting of policies and By-laws for legality and constitutionality purpose	Institutional	Institutional	R0	0	Number of policies and by-laws submitted and checked for legal and constitutional compliance	Number of policies and by-laws submitted and checked for legal and constitutional compliance	Number of policies and by-laws submitted and checked for legal and constitutional compliance	R0	Yes		7 policies and by-laws submitted and checked for legal and constitutional compliance	N/A	N/A

IDP Number	Project Description	Location	Ward	2016/2017 Budget	Baseline	Key Performance Indicator	2016/17 Annual Target	Means of Verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variance (deviation)	State plan to address non-achievement and timeframe
										Yes	No			
CM231	Vetting and drafting of contracts	Institutional	Institutional	R0	0	Number of contracts for vetting and drafting received, attended and completed	Number of contracts for vetting and drafting received, attended and completed	Number of contracts for vetting and drafting received, attended and completed	R0	Yes		23 contracts for vetting and drafting received, attended and completed	N/A	N/A
CM232	Litigation(Civil against and by the Municipality)	Institutional	Institutional	R0	0	Number of litigation received against the Municipality, attended and completed	Number of litigation received against the Municipality, attended and completed	Number of litigation received against the Municipality, attended and completed	R0	Yes		13 litigation received against the Municipality, attended and completed	N/A	N/A
				R0	0	Number of litigation instituted by the	Number of litigation	Number of litigation instituted by	R0	Yes		2 litigation instituted	N/A	N/A

IDP Number	Project Description	Location	Ward	2016/2017 Budget	Baseline	Key Performance Indicator	2016/17 Annual Target	Means of Verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variance (deviation)	State plan to address non-achievement and timeframe
										Yes	No			
						municipality attended and completed	instituted by the municipality attended and completed	the municipality attended and completed				ed by the municipality attended and completed		



3.10 Strategic Management Services

The Annual Performance of the department is summarised as follows:

Department/Unit	Total number of targets	Number of achieved targets (100% success)	Number of targets not achieved
Office of the General Manager	3	3	0
IDP Coordination and Policy Formulation	3	3	0
International and Intergovernmental Relations and Protocol	3	3	0
Corporate Communication	5	2	3
HIV / AIDS Mainstreaming	5	5	0
Mayoral Support	2	1	1
Cluster Coordination	2	2	0
Total	23	19	4
Percentage	100%	83%	17%

3.10.1 Office of the General Manager

The Annual Performance of the section is summarised as follows:

Department/Unit			Total number of targets		Number of achieved targets (100% success)					Number of targets not achieved		
Office of the General Manager			3		3					0		
Percentage			100%		100%					0%		

IDP Number	Project Description	Location	Ward	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/17 Annual Target	Means of Verification	Actual budget spent	Was the target achieved	Actual performance for 2016/17	Reason for non-achievement and variance (deviation)	State plan to address non-achievement and timeframe
												Yes		
Development Priority: Good Governance and Institutional development														
CM270	Risks Mitigation	Institutional	Institutional	R0	R0	3	Number of Risk progress reports submitted	3 risk mitigation progress reports submitted	Reports	R0	Yes	3 risk mitigation progress reports submitted	N/A	N/A
CM271	Departmental Review Sessions	Institutional	Institutional	R0	R0	4	Number of departmental performance review sessions conducted	1 department performance review session conducted	Attendance Register	R0	Yes	1 department performance review session conducted	N/A	N/A

3.10.2 IDP Coordination and Policy Formulation

The Annual Performance of the section is summarised as follows:

Department/Unit	Total number of targets	Number of achieved targets (100% success)	Number of targets not achieved
IDP Coordination and Policy Formulation	3	3	0
Percentage	100%	100%	0%

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variance (deviation)	State plan to address non-achievement and timeframe	
											Yes	No				
Development Priority: Good Governance and Public Participation																
CM79	Development of ward plans	Institutional	Institutional	R300 000	R300 000	0	Number of ward plans developed	25 ward plans developed	Copies of ward plans	R0	Yes		44 ward plans developed	The project was done internally in consultation with councillors and no budget was spent	N/A	
CM80	IDP public participation	Institution	Institution	R700 000	R1 504	15 IDP meetings	Number of IDP	18 IDP meetings	Attendance	R1 504	Yes		18 IDP meetings	N/A	N/A	

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variance (deviation)	State plan to address non-achievement and timeframe
											Yes	No			
Development Priority: Good Governance and Public Participation															
	n	al	al		524	conduct ed in 2015/16	meetings conducted	conducted	registers	524			conducted		
CM83	Priority research study	Institution al	Institution al	R200 000	R200 000	0	Number of Prioritized research studies conducted	1 Prioritize d research study conducte d	Research study Report	R0	Yes		1 Prioritized research study conducted	Research study was conducted internally and no budget was used	N/A

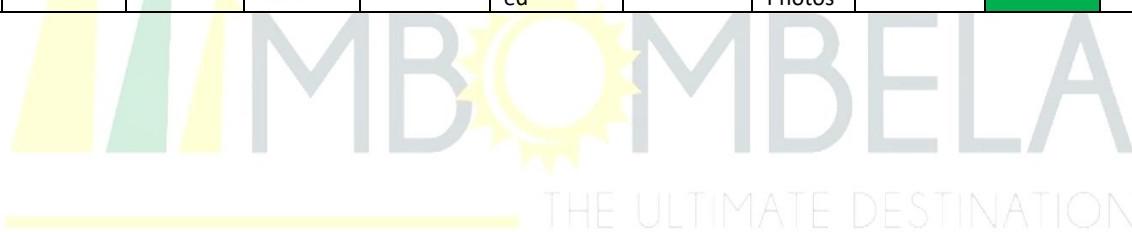
3.10.3 International and Intergovernmental Relations and Protocol

The Annual Performance of the section is summarised as follows:

Department/Unit		Total number of targets		Number of achieved targets (100% success)					Number of targets not achieved			
International and Intergovernmental Relations and Protocol		3		3					0			
Percentage		100%		100%					0%			

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved	Actual performance for 2016/17	Reason for non-achievement and variance (deviation)	State plan to address non-achievement and timeframe
											Yes			
Development Priority: Good Governance and Public Participation														
CM81	National Symbols on municipal property	Institutional	Institutional	R700 000	R600 000	20 photos provided in the 2014/2015 FY	Number of municipal facilities provided with flags and photos (symbols)	16 municipal facilities provided with flags and photos (symbols)	Report and Photos	R23 000.00	Yes	16 municipal facilities provided with flags and photos (symbols)	N/A	N/A
CM82	Coordination of twinning agreements	Institutional	Institutional	R200 000	R480 000	2 twinning programmes	Number of twinning programmes	3 twinning programmes	Invitations, Attendance	R194 000	Yes	3 twinning programmes coordinated	N/A	N/A

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variance (deviation)	State plan to address non-achievement and timeframe	
											Yes	No				
Development Priority: Good Governance and Public Participation																
						coordinated	es coordinated	coordinated	regis ters and Photos							
CM93	Umsebe Accord Agreements Implementation	Institutional	Institutional	R1 000 000	R653 500	4 events coordinated	Number of meetings and events coordinated	6 meetings and 5 events coordinated	Invitations, Attendance registers and Photos	R7 365.60	Yes	6 meetings and 5 events coordinated	N/A	N/A		



3.10.4 Corporate Communication

The Annual Performance of the section is summarised as follows:

Department/Unit	Total number of targets	Number of achieved targets (100% success)	Number of targets not achieved
Corporate Communication	5	2	3
Percentage	100%	40%	60%

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variance (deviation)	State plan to address non-achievement and timeframe	
											Yes	No				
Development Priority: Good Governance and Public Participation																
CoM216	Procurement of Performance Tracking System (Call Centre system)	Institutional	Institutional	R3 000 000	R1 108 381	0	Number of call centre systems installed	1 call centre systems installed	Report	RO	No	0	0 call centre systems installed	Project reprioritised	Project reprioritised to be implemented during the 2017/18 financial year	

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variance (deviation)	State plan to address non-achievement and timeframe	
											Yes	No				
Development Priority: Good Governance and Public Participation																
CM84	Weekly radio slots	Institutional	Institutional	R200 000	R200 000	42 scheduled radio interviews conducted	Number of scheduled radio interviews conducted	48 scheduled radio interviews conducted	Signed schedules	R12 500	Yes	52 scheduled radio interviews conducted	More interviews were conducted due to demand	N/A		
CM85	Publications	Institutional	Institutional	R300 000	R56 346	3	Number of quarterly newsletters published	3 quarterly newsletters published	copies of publications	R51 750	No	2 quarterly newsletters published	Target could not be achieved due to cashflow constraints	Target to be consolidated in 2017/18 financial year		
CM86	Corporate Communication strategy	Institutional	Institutional	R400 000	R400 000	0	Number of communication strategies developed	1 Communication strategy developed	Communication strategy	R117 682.48	Yes	1 Communication strategy developed	N/A	N/A		
CM72	Mbombela Today Publication	Institutional	Institutional	R1 000 000	R1 204 313	7	Number of publications published	12 publications published	Copies of Publication	R1 329 893.32	No	10 publications published	Late finalisation of contract with service provider	New target has been set for 2017/18 financial		

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variance (deviation)	State plan to address non-achievement and timeframe	
											Yes	No				
Development Priority: Good Governance and Public Participation																
																year



3.10.5 HIV / AIDS Mainstreaming

The Annual Performance of the section is summarised as follows:

Department/Unit		Total number of targets		Number of achieved targets (100% success)				Number of targets not achieved			
HIV / AIDS Mainstreaming		5		5				0			
Percentage		100%		100%				0%			

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved	Actual performance for 2016/17	Reason for non-achievement and variance (deviation)	State plan to address non-achievement and timeframe
											Yes			
Development Priority: Good Governance and Public Participation														
CM90	Coordination of the local HIV & AIDS programme	Institutional	Institutional	R400 000	R546 924	4	Number of MLAC sittings held	4 MLAC sittings held	Reports and attendance register	R10000	Yes	4 MLAC meeting held on the 31/05/2017	N/A	N/A
						4		Number of task Team Working Group Meetings held	4 Task Team Working Group Meetings held	R11000	Yes	4 Task Team working group held	N/A	N/A

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variance (deviation)	State plan to address non-achievement and timeframe
											Yes	No			
Development Priority: Good Governance and Public Participation															
						3	Number of Civil Society Meetings	4 Civil Society meetings held	Reports and Attendance Register	R9500.00	Yes	4 Civil Society Meeting held 04/05/2017	N/A	N/A	
							5	Number of Awareness campaigns on HIV,STI and TB	10 Awareness campaigns on HIV, STI and TB conducted	Reports and Attendance Register	R43000	Yes	10 Awareness campaigns on HIV, STI and TB conducted	N/A	N/A
							33 WAC established	Number of Ward Aids Councils (WACs) trained / mentored	45 Ward Aids Councils (WACs) trained / mentored	Reports and attendance register	R138136.35	Yes	45 Ward Aids Councils (WACs) trained / mentored	N/A	N/A

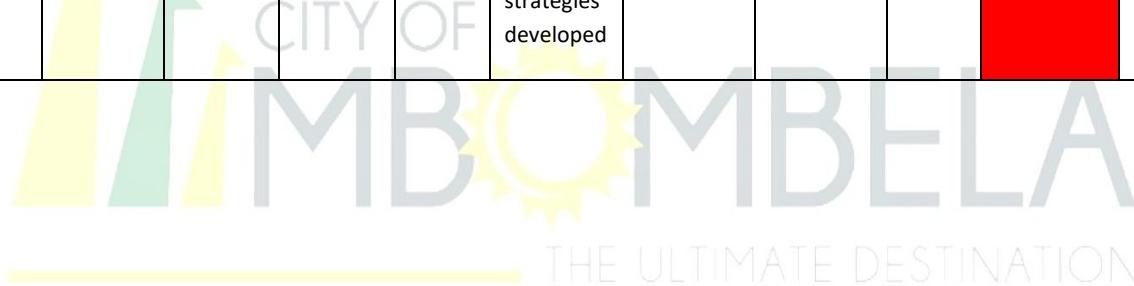
3.10.6 Mayoral Support

The Annual Performance of the section is summarised as follows:

Department/Unit	Total number of targets	Number of achieved targets (100% success)	Number of targets not achieved
Mayoral Support	2	1	1
Percentage	100%	50%	50%

IDP Number	Project Description	Location	Ward	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/17 Annual Target	Means of Verification	Actual Budget Spent	Was the set target achieved	Actual performance for the Third Quarter	Reasons for non-achievement and variance (deviations)	State plans to address non-achievement and timeframes
Development Priority: Good Governance and Public Participation														
CM91	Mayoral Outreach program	Institutional	Institutional	R1 500 000	R1 081 125	24	Number of Mayoral outreach programs conducted	12 Mayoral outreach programs conducted	Mayoral Outreach reports	R529 096	Yes	27 Mayoral Outreach programme conducted	More programmes were conducted due to demand from communities	None

IDP Number	Project Description	Location	Ward	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/17 Annual Target	Means of Verification	Actual Budget Spent	Was the set target achieved		Actual performance for the Third Quarter	Reasons for non-achievement and variance (deviations)	State plans to address non-achievement and timeframes	
											Yes	No				
Development Priority: Good Governance and Public Participation																
CM92	Implementation of Youth Development Strategy	Institutional	Institutional	R1 500 000	R2 613 390	0	Number of youth development strategies developed	1 Youth development strategy developed	Youth development strategy	R0	No	0 Youth development strategy developed	Delays due to procurement process	Project reprioritised		



3.10.7 Cluster Coordination

The Annual Performance of the section is summarised as follows:

Department/Unit	Total number of targets	Number of achieved targets (100% success)	Number of targets not achieved
Cluster Coordination	2	2	0
Percentage	100%	100%	0%

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved	Actual performance for 2016/17	Reason for non-achievement and variance (deviation)	State plan to address non-achievement and timeframe
											Yes			
Development Priority: Good Governance and Public Participation														
CM88	Mayoral Committee coordination	Institutional	Institutional	R300 000	R532 000	12	Number of Mayoral meetings coordinated	12 Mayoral meetings coordinated	Attendance registers and minutes	R554 951	Yes	12 Mayoral meetings coordinated	N/A	N/A
	Coordination of Reports Forum meetings						12 Reports Forum meetings coordinated	12 Reports Forum meetings coordinated	Attendance registers and minutes		Yes	12 Reports Forum meetings coordinated	N/A	N/A

3.11 Office of the Deputy Municipal Manager: Auxiliary Services

The Annual Performance of the department is summarised as follows:

Department/Unit	Total number of targets	Number of achieved targets (100% success)	Number of targets not achieved
Environmental Management and Planning	5	4	1
Water Services Compliance Monitoring	7	5	2
Enterprise Risk Management	5	4	1
Transversal Services	7	6	1
Performance Monitoring and Evaluation	5	5	0
Total	29	24	5
Percentage	100%	83%	17%

3.11.1 Environmental Management and Planning

The Annual Performance of the section is summarised as follows:

Department/Unit	Total number of targets	Number of achieved targets (100% success)	Number of targets not achieved
Environmental Management and Planning	5	4	1
Percentage	100%	80%	20%

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved	Actual performance for 2016/17	Reason for non-achievement and variance (deviation)	State plan to address non-achievement and timeframe	
											Yes				
Development Priority: Waste and Environmental Management															
CM07	Development of environmental management framework	Institutional	Institutional	R862 752	R985 188	0	Number of Environmental Management Framework developed	1 Environmental Management Framework developed	Framework	R985 188	Yes	1 Environmental management framework developed	N/A	N/A	

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variance (deviation)	State plan to address non-achievement and timeframe
											Yes	No			
Development Priority: Waste and Environmental Management															
CM10	Celebration of national regulatory calendar days	Institutional	Institutional	R300 000	R335 000	3	Number of Environmental Management programmes conducted	3 Environmental Management programmes conducted	Attendance registers	R335 000	Yes	3 Environmental Management programmes conducted	N/A	N/A	
CM11	Public awareness programme Refuse truck advertising	Institutional	Institutional	R400 000	R200 000	0	Number of decals printed	20 decals printed	Delivery note	R0	No	0 decals printed	Delays due to procurement processes	Project to be reprioritised for 2017/2018 financial year	
CM126	Development of Climate Change Response Strategy	Institutional	Institutional	R600 000	R398 881	0	Number of Climate Change Strategies	1 Climate Change Strategy developed	Climate Change Strategy document	R398 881	Yes	1 Climate change strategy report	N/A	N/A	

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variance (deviation)	State plan to address non-achievement and timeframe	
											Yes	No				
Development Priority: Waste and Environmental Management																
	for MLM and Implementation plans							developed								
CM127	Request for the proposals of the waste to energy projects	Institutional	Institutional	R500 000	RO	None	Number of feasibility studies on the installation of solar panels on all municipal buildings conducted	1 Feasibility study on the installation of solar panels on all municipal buildings conducted	Feasibility report	RO	Yes	1 Feasibility report	N/A	N/A		

3.11.2 Water Services Compliance Monitoring

The Annual Performance of the section is summarised as follows:

Department/Unit	Total number of targets	Number of achieved targets (100% success)	Number of targets not achieved
Water Services Compliance Monitoring	7	5	2
Percentage	100%	71%	29%

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variance (deviation)	State plan to address non-achievement and timeframe	
											Yes	No				
Development Priority: Water Supply																
CoM58	SCW 902 - Old Airport Pumpline & pump station	Mbombela	14, 15, 16, 17	R3 000 000	R2 559 423	Consultants appointed in 2015/2016	Meters of old Airport Pump line construction completed	4150 meters of Old Airport Pump line construction completed	Completion Certificate	R1 468 409	Yes	4150 meters of Old Airport Pump line construction completed	N/A	N/A		

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variance (deviation)	State plan to address non-achievement and timeframe
											Yes	No			
						1	Number of pump stations upgraded	1 Pump station upgraded			No		0 Pump station upgraded	Electrical department delayed to install/link connection from municipal main supply line. However the project is at 95%.	Fast track link connection to the pump station, project to be completed by end September 2017.
Development Priority: Sanitation															
CoM62	SCS 908 Sewer main outfall upgrades - Sonheuwel & Central (Impala Str)	Mbombela	17	R1 800 000	R1 963 056	Consultants appointed in 2015/2016	Meters of sewer outfall line completed	500 meters of sewer outfall line completed	Progress report	R0	No		0 meters of sewer outfall line completed	Delays in the approval of EIA by the department of Agriculture, Rural Development and Environmental Affairs.	Project will be implemented during the 2017/18 financial year.
CoM63	Masterplan - Mbombela	Mbombela	14, 15, 16, 17	R900 000	R900 000	1	Number of Master plans updated	1 Master plan updated	Updated Master plan	R799 763.13	Yes		1 Master plan updated	N/A	N/A

Operating budget

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variance (deviation)	State plan to address non-achievement and timeframe	
											Yes	No				
Development Priority: Good Governance and Public Participation																
CM109	Review of water safety plans;	Institutional	Institutional	R800 000	R300 000	4	Number of water safety plans reviewed	3 water safety plans reviewed	Reviewed water safety plans	R 494 719,99	Yes	3 safety plans reviewed	N/A	N/A		
CM110	Review of the Risk Abatement Plans;	Institutional	Institutional	R900 000	R265 000	0	Number of risk abatement plans reviewed	3 risk abatement plans reviewed	Reviewed risk abatement plans	R539 832,00	Yes	3 Risk abatement plans reviewed	N/A	N/A		
CM112	Customer satisfaction survey	Institutional	Institutional	R300 000	R302 000	0	Number of customer survey studies completed	1 customer survey study completed	Customer survey report	R290 000,00	Yes	1 customer survey report completed	N/A	N/A		

3.11.3 Enterprise Risk Management

The Annual Performance of the section is summarised as follows:

Department/Unit	Total number of targets	Number of achieved targets (100% success)	Number of targets not achieved
Enterprise Risk Management	5	4	1
Percentage	100%	80%	20%

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variance (deviation)	State plan to address non-achievement and timeframe	
											Yes	No				
Development Priority: Good Governance and Public Participation																
CM122	Insurance Management Programmes	Institutional	Institutional	R25 000	R25 000		Insurance awareness programmes conducted in the 2015/2016 financial	Number of insurance awareness campaigns conducted	4 Insurance awareness campaigns conducted	Attendance registers, Memorandums and Minutes	RO	Yes	4 Insurance awareness campaigns conducted	N/A	N/A	

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variance (deviation)	State plan to address non-achievement and timeframe	
											Yes	No				
Development Priority: Good Governance and Public Participation																
						year										
CM123	Establishment Self-Insurance Fund	Institutional	Institutional	R775 000	R225 000	None	Number of Self-Insurance Funds established	1 Self-Insurance Fund established	Approved Self Insurance Fund with policy and procedure	R0	No	0 Self-Insurance Fund established	Non-responsive tenders received	The project has been reprioritised for 2017/2018 financial year.		
CM124	Risk Management Programmes	Institutional	Institutional	R120 000	R120 000	Risk Management Framework for the 2016/2017 financial	Number of risk management workshops conducted	2 Risk management registers	Attendance workshops conducted	R0	Yes	12 Risk management workshops conducted	Workshops were conducted at departmental level	N/A		

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variance (deviation)	State plan to address non-achievement and timeframe	
											Yes	No				
Development Priority: Good Governance and Public Participation																
CM125	Upgrade of Risk Management System	Institutional	Institutional	R80 000	R80 000	BarnOwl IT Software for the 201/2017 financial year	Number of BarnOwl IT system licenced and updated for the 2017/2018 financial year	1 BarnOwl IT system licenced and updated for the 2017/2018 financial year	Approved Risk Management Framework for the 2017/2018 financial year developed	R0	Yes		1 Risk Management Framework for the 2017/2018 financial year developed	N/A	N/A	



3.11.4 Transversal Services

The Annual Performance of the section is summarised as follows:

Department/Unit	Total number of targets	Number of achieved targets (100% success)	Number of targets not achieved
Transversal Services	7	6	1
Percentage	100%	86%	14%

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variance (deviation)	State plan to address non-achievement and timeframe	
											Yes	No				
Development Priority: Good Governance and Public Participation																
CM115	Women Empowerment	Institutional	Institutional	R150 000	R150 000	2 women empowerment programmes conducted	Number of women empowerment programmes held	4 women empowerment programmes held	Attendance register and reports	R150 000	Yes	4 women empowerment programmes held	N/A	N/A		

IDP Number	Project Description	Ward	Location	2016/20	2016/20	Baseline	Key Performance Indicator	2016/20	Means of verification	Actual budget spent	Was the target achieved	Actual performance for 2016/17	Reason for non-achievement and variance (deviation)	State plan to address non-achievement and timeframe
				17 Original Budget	17 Adjusted Budget			17 Targets						
Development Priority: Good Governance and Public Participation														
CM116	Gender Mainstreaming	Institutional	Institutional	R110 000	R140 735	2 Gender Mainstreaming programme conducted	Number of Gender Mainstreaming programmes conducted	4 Gender Mainstreaming programmes conducted	Attendance register and reports	R 140 735	Yes	4 Gender Mainstreaming programmes conducted	N/A	N/A
CM117	Youth Empowerment	Institutional	Institutional	R150 000	R213 213	2 Youth Empowerment programme	Number of Youth Empowerment programmes conducted	4 Youth Empowerment programmes conducted	Attendance register and reports	R 213 213	No	3 Youth Empowerment programmes conducted	Non availability of Stakeholders	Re prioritised for 2017/2018 financial year
CM118	Children Protection	Institutional	Institutional	R150 000	R141 081	4 Child Protection programme	Number of Child Protection programmes	4 Child Protection programmes	Attendance register and reports	R 141 081	Yes	4 Child Protection programmes conducted	N/A	N/A

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variance (deviation)	State plan to address non-achievement and timeframe
											Yes	No			
Development Priority: Good Governance and Public Participation															
CM119	Elderly Protection	Institutional	Institutional	R150 000	R135 777	2 food security programmes for elderly conducted	Number of food security programmes for the elderly conducted	4 food security programmes for the elderly conducted	Attendance register, reports	R135 777	Yes	4 food security programmes for the elderly conducted	N/A	N/A	

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved	Actual performance for 2016/17	Reason for non-achievement and variance (deviation)	State plan to address non-achievement and timeframe
Development Priority: Good Governance and Public Participation														
CM120	Disability Programmes	Institutional	Institutional	R150 000	R239 963	5 programmes for people with disabilities conducted	Number of programmes for people with disabilities conducted	4 programmes for people with disabilities conducted	Attendance register , reports	R 239 963	Yes	7 programmes for people with disabilities conducted	3 more programmes were conducted due to demand and did not require budget	N/A
CM121	Annual Calendar Events	Institutional	Institutional	R100 000	R118 702	10 Annual calendar events conducted	Number of annual calendar events conducted	12 annual calendar events conducted	Attendance register and reports	R118 702	Yes	4 annual calendar events conducted	N/A	N/A

3.11.5 Performance Monitoring and Evaluation

The Annual Performance of the section is summarised as follows:

Department/Unit	Total number of targets	Number of achieved targets (100% success)	Number of targets not achieved
Office of the General Manager	5	5	0
Percentage	100%	100%	0%

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved	Actual performance for 2016/17	Reason for non-achievement and variance (deviation)	State plan to address non-achievement and timeframe
Development Priority: Good Governance and Public Participation														
CM233	Development of Service Delivery and Budget Implementation Plan (SDBIP)	Institutional	Institutional	R0	R0	2015/16 SDBIP	2017/2018 SDBIP approved by the Executive Mayor within the stipulated period	2017/2018 SDBIP approved by the Executive Mayor by the 28 th of June 2017	Approved SDBIP	R0	Yes	2017/2018 SDBIP approved by the Executive Mayor by the 28 th of June 2017	N/A	N/A

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved	Actual performance for 2016/17	Reason for non-achievement and variance (deviation)	State plan to address non-achievement and timeframe	
											Yes				
Development Priority: Good Governance and Public Participation															
CM234	Performance Management report	Institutional	Institutional	RO	RO	5 reports	Number of performance reports produced	5 performance reports produced	Performance reports	RO	Yes	5 performance reports produced	N/A	N/A	
CM235	Quarterly evaluation (Early warning) reports	Institutional	Institutional	RO	RO	4 reports	Number of quarterly evaluation reports produced	4 Evaluation reports produced	Evaluation report	RO	Yes	4 Evaluation reports produced	N/A	N/A	
CM236	Project verification	Institutional	Institutional	RO	RO	2 Verification reports	Number of verifications conducted	3 verifications conducted	Verification reports	RO	Yes	3 verifications conducted	N/A	N/A	
CM237	Quarterly performance reviews conducted	Institutional	Institutional	RO	RO	2	Number of institutional performance review sessions conducted	4 institutional performance review sessions conducted	Attendance register	RO	Yes	4 institutional performance review sessions conducted	N/A	N/A	

3.12 Office of the Municipal Manager

The Annual Performance of the department is summarised as follows:

Department/Unit	Total number of targets	Number of achieved targets (100% success)	Number of targets not achieved
Strategic Programmes and Projects Support Unit (SPPSU)	6	6	0
Internal Audit	7	7	0
Total	13	13	0
Percentage	100%	100%	0%

3.12.1 Strategic Programmes and Projects Support Unit (SPPSU)

The Annual Performance of the section is summarised as follows:

Department/Unit	Total number of targets	Number of achieved targets (100% success)	Number of targets not achieved
Strategic Programmes and Projects Support Unit (SPPSU)	6 (1 demand driven)	6	0
Percentage	100%	100%	0%

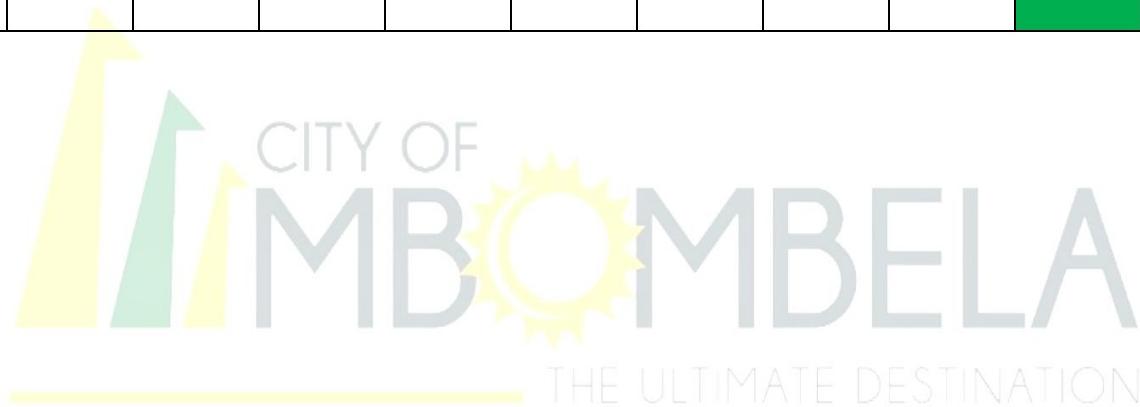
IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for the 2016/17	Reason for non-achievement and variance (deviation)	Plan to address non-achievement and timeframes	
											Yes	No				
Development Priority: Good Governance and Public Participation																
CoM217	Feasibility Studies for International Convention Centre	Institutional	Institutional	R8 500 000	R8 500 000	0	Number of workshops conducted on the feasibility study results and National Treasury Recommendations	2 workshops conducted on the feasibility study results	Attendance register	R8 346 280.82	Yes	2 workshops conducted on the feasibility study results	N/A	N/A		
CoM128	Feasibility Studies for Indoor Multi-Sport Centre	Institutional	Institutional	R2 000 000	R2 000 000	0	Number of workshops conducted on the feasibility study results and National Treasury Recommendations	2 workshops conducted on the feasibility study results	Attendance register	R1 502 686.37	Yes	2 workshops conducted on the feasibility study results	N/A	N/A		

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for the 2016/17	Reason for non-achievement and variance (deviation)	Plan to address non-achievement and timeframes	
											Yes	No				
Development Priority: Good Governance and Public Participation																
CoM219	Feasibility Studies for Heritage Centre	Institutional	Institutional	R2 000 000	R2 000 000	0	Number of workshops conducted on the feasibility study results and National Treasury Recommendations	2 workshops conducted on the feasibility study results	Attendance register	R1 599 189.16	Yes	2 workshops conducted on the feasibility study results	N/A	N/A		

Operating Projects

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for the 2016/17	Reason for non-achievement and variance (deviation)	Plan to address non-achievement and timeframes
											Yes	No			
Development Priority: Good Governance and Public Participation															
CM77	Special Investigation and Audits	Institutional	Institutional	R800 000	R800 000	4	Number of special investigations and audits conducted on an adhoc basis	Special investigations and audits conducted on an adhoc basis	Terms of reference	R0	N/A (Demand driven)	N/A	N/A	N/A	
CM73	Waste Management Feasibility Study	Institutional	Institutional	R1 000 000	R3 054 170	0	Number of feasibility studies completed	1 feasibility study completed	Feasibility study report	R3 054 170	Yes	1 feasibility study completed	N/A	N/A	
CM75	Office Accommodation Feasibility Study	Institutional	Institutional	R1 000 000	R4 585 000	0	Number of feasibility studies completed	1 feasibility study completed	Feasibility Study Report	R4 585 000	Yes	1 feasibility study completed	N/A	N/A	
CM78	Rural Development	Institutional	Institutional	R500 000	R500 000	None	Phase 1 of long	Phase 1 of long	Report	R500 000	Yes	Phase 1 of long	N/A	N/A	

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for the 2016/17	Reason for non-achievement and variance (deviation)	Plan to address non-achievement and timeframes
				Ye	No										
Development Priority: Good Governance and Public Participation															
	Strategy							term strategy completed	term strategy completed				term strategy completed		



3.12.2 Internal Audit

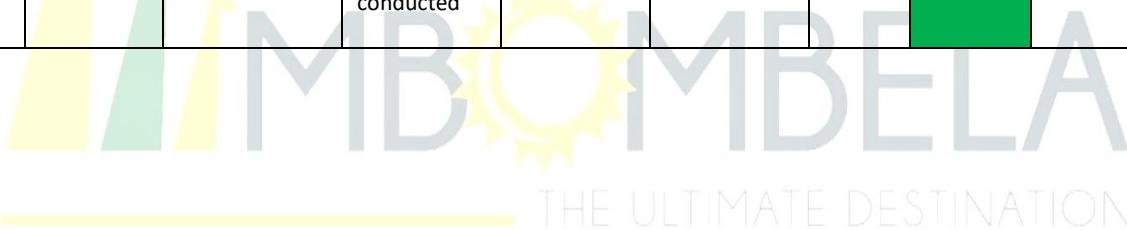
The Annual Performance of the section is summarised as follows:

Department/Unit	Total number of targets	Number of achieved targets (100% success)	Number of targets not achieved
Internal Audit	7	7	0
Percentage	100%	100%	0%

IDP Number	Project Description	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved	Actual performance for the 2016/17	Reason for non-achievement and variance (deviation)	Plan to address non-achievement and timeframes
									Yes			
Development Priority: Good Governance and Public Participation												
CM238	Special Investigation	R0	R0	9 special request (investigations) conducted	Number of special audit requests conducted	All special audit requests conducted	Requests received and Audit Reports	R0	Yes	1 special audit request conducted (investigation report on irregular expenditure that was reported in 2015/16 F/Y)	N/A	N/A

IDP Number	Project Description	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for the 2016/17	Reason for non-achievement and variance (deviation)	Plan to address non-achievement and timeframes
									Yes	No			
Development Priority: Good Governance and Public Participation													
CM239	Risk Based Audit Plan	R0	R0	1 Risk based audit plan developed	Number of risk based audit plan developed	1 risk based audit plan developed	Approved risk based audit plan	R0	Yes		1 risk based audit plan developed	N/A	N/A
CM240	Internal Audits	R1 784 289	R1 568 077	14 Audits conducted in 15/16 financial year	Number of internal audits conducted	11 internal audits conducted	Audit Reports	R610 000	Yes		17 Internal Audits conducted	Service provided more resources hence more audits could be concluded	N/A
CM241	Functional Audit Committee	R151 049	R199 201	4 Active Audit Committee Members	Number of audit committee members appointed	4 Audit committee members appointed	Appointment letters for the new audit committee members	R0	Yes		4 Audit committee members appointed	N/A	N/A
				Approved Audit Committee Charter (AC) for 2015/16	Reviewed and approved AC charter	1 Audit Committee charter reviewed and approved	Approved AC charter	R0	Yes		1 Audit Committee charter reviewed and approved	N/A	N/A

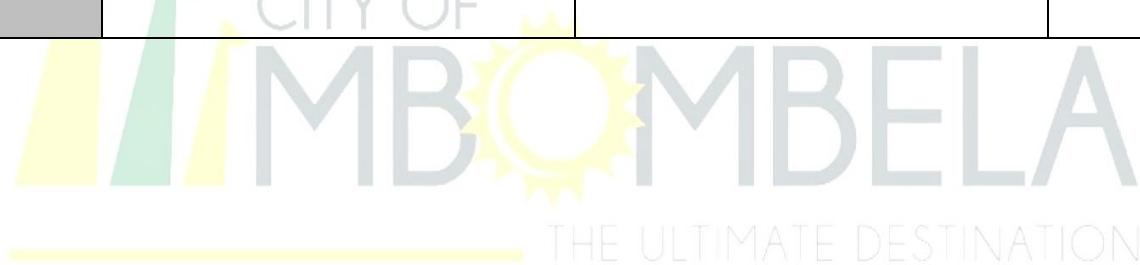
IDP Number	Project Description	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for the 2016/17	Reason for non-achievement and variance (deviation)	Plan to address non-achievement and timeframes
									Yes	No			
Development Priority: Good Governance and Public Participation													
				4 audit committee meetings coordinated and held in 15/16	Number of audit committee meetings coordinated and held	4 audit committee meetings coordinated and held	Attendance register & minutes	R121 000	Yes		4 audit committee meetings coordinated and held	N/A	N/A
CM242	Follow up on AG Findings	R0	R0	1 Report on follow up audit	Number of follow-up audits conducted	1 follow-up audit conducted	Audit report		Yes		1 follow-up audit conducted	N/A	N/A



3.13 Regional Centre Coordination

The Annual Performance of the department is summarised as follows:

Department/Unit	Total number of targets	Number of achieved targets (100% success)	Number of targets not achieved
Office of the General Manager	3	3	0
Regional Centre Coordination	8	8	0
Total	11	11	0
Percentage	100%	100%	0%



3.13.1 Office of the General Manager

The Annual Performance of the section is summarised as follows:

Department/Unit	Total number of targets	Number of achieved targets (100% success)	Number of targets not achieved
Office of the General Manager	3	3	0
Percentage	100%	100%	0%

IDP Number	Project Description	Location	Ward	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved	Actual performance for the 2016/17	Reason for non-achievement and variance (deviation)	Plan to address non-achievement and timeframes
Development Priority: Good Governance & Institutional Development														
CM272	Risks Mitigation	Institutional	Institutional	R0	R0	3	Number of Risk progress reports submitted	3 risk mitigation progress reports submitted	Reports	R0	Yes	3 risk mitigation progress reports submitted	N/A	N/A

IDP Number	Project Description	Location	Ward	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved	Actual performance for the 2016/17		Reason for non-achievement and variance (deviation)	Plan to address non-achievement and timeframe	
												Yes	No			
Development Priority: Good Governance & Institutional Development																
						1	Number of Action Plans for the 2016/17 Financial year developed	1 Action Plans for the 2016/17 Financial year developed	Action Plan	R0	Yes	1 Action Plans for the 2016/17 Financial year developed	N/A	N/A	N/A	
CM273	Departmental Review Sessions	Institutional	Institutional	R0	R0	4	Number of departmental performance review sessions conducted	1 departmental performance review session conducted	Attendance Register	R0	Yes	1 departmental performance review session conducted	N/A	N/A	N/A	

3.13.2 Regional Service Centres

The Annual Performance of the section is summarised as follows:

Department/Unit	Total number of targets	Number of achieved targets (100% success)	Number of targets not achieved
Regional Service Centres	8	8	0
Percentage	100%	100%	0%

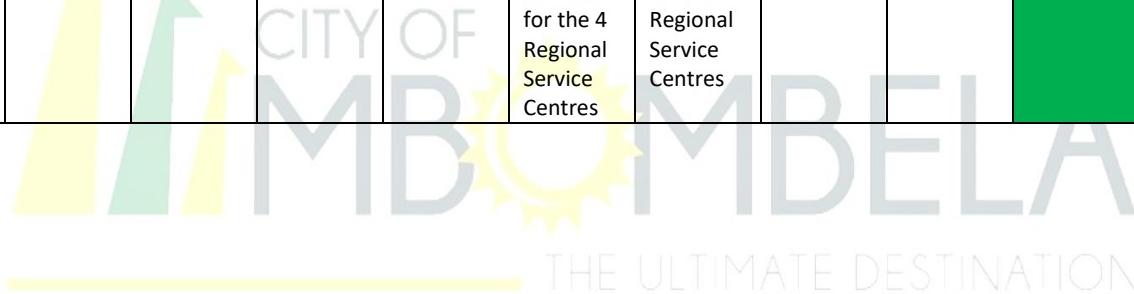
IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for the 2016/17	Reason for non-achievement and variance (deviation)	Plan to address non-achievement and timeframes	
											Yes	No				
Development Priority: Good Governance and Public Participation																
CM243	Coordination of Water supply services	Regional Service Centres	Regional Service Centres	R0	R0	0	Number of reports submitted on the Coordination of Water supply services	4 reports submitted on the Coordination of Water supply services for the 4 Regional	Reports	R0	Yes	4 reports submitted on the Coordination of Water supply services for the 4 Regional	N/A	N/A		

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for the 2016/17	Reason for non-achievement and variance (deviation)	Plan to address non-achievement and timeframes	
											Yes	No				
Development Priority: Good Governance and Public Participation																
								for the 4 Regional Service Centres	Service Centres				Service Centres			
CM244	Coordination of Sanitation services	Regional Service Centres	Regional Service Centres	RO	RO	0	Number of reports submitted on the Coordination of Sanitation services for the 4 Regional Service Centres	4 reports submitted on the Coordination of Sanitation services for the 4 Regional Service Centres	Reports	RO	Yes	4 reports submitted on the Coordination of Sanitation services for the 4 Regional Service Centres	N/A	N/A		
CM245	Coordination of Roads & Stormwater services	Regional Service Centres	Regional Service Centres	RO	RO	0	Number of reports submitted on the Coordination of Roads & Stormwater services for the 4 Regional Service Centres	4 reports submitted on the Coordination of Roads & Stormwater services for the 4 Regional Service Centres	Reports	RO	Yes	4 reports submitted on the Coordination of Roads & Stormwater services for the 4 Regional Service Centres	N/A	N/A		

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for the 2016/17	Reason for non-achievement and variance (deviation)	Plan to address non-achievement and timeframes	
											Yes	No				
Development Priority: Good Governance and Public Participation																
CM246	Coordination of Waste Management services	Regional Service Centres	Regional Service Centres	R0	R0	0	Number of reports submitted on the Coordination of Waste Management services for the 4 Regional Service Centres	4 reports submitted on the Coordination of Waste Management services for the 4 Regional Service Centres	Reports	R0	Yes		4 reports submitted on the Coordination of Roads & Stormwater services for the 4 Regional Service Centres	N/A	N/A	
CM247	Coordination of Parks & Cemeteries services	Regional Service Centres	Regional Service Centres	R0	R0	0	Number of reports submitted on the Coordination of Parks & Cemeteries services for the 4 Regional Service Centres	4 reports submitted on the Coordination of Parks & Cemeteries services for the 4 Regional Service Centres	Reports	R0	Yes		4 reports submitted on the Coordination of Roads & Stormwater services for the 4 Regional Service Centres	N/A	N/A	

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for the 2016/17	Reason for non-achievement and variance (deviation)	Plan to address non-achievement and timeframes	
											Yes	No				
Development Priority: Good Governance and Public Participation																
CM248	Coordination of Social Development services	Regional Service Centres	Regional Service Centres	R0	R0	0	Number of reports submitted on the Coordination of Social Development services for the 4 Regional Service Centres	4 reports submitted on the Coordination of Social Development services for the 4 Regional Service Centres	Reports	R0	Yes		4 reports submitted on the Coordination of Social Development services for the 4 Regional Service Centres	N/A	N/A	
CM249	Coordination of Public Safety services	Regional Service Centres	Regional Service Centres	R0	R0	0	Number of reports submitted on the Coordination of Public Safety services for the 4 Regional Service Centres	4 reports submitted on the Coordination of Public Safety services for the 4 Regional Service Centres	Reports	R0	Yes		4 reports submitted on the Coordination of Public Safety services for the 4 Regional Service Centres	N/A	N/A	

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for the 2016/17	Reason for non-achievement and variance (deviation)	Plan to address non-achievement and timeframes
				Ye s	No										
Development Priority: Good Governance and Public Participation															
CM250	Coordination of Electricity services	Regional Service Centres	Regional Service Centres	R0	R0	0	Number of reports submitted on the Coordination of Electricity services for the 4 Regional Service Centres	4 reports submitted on the Coordination of Electricity services for the 4 Regional Service Centres	Reports	R0	Yes	4 reports submitted on the Coordination of Electricity services for the 4 Regional Service Centres	N/A	N/A	



3.14 Office of Council

The Annual Performance of the department is summarised as follows:

Department/Unit		Total number of targets		Number of achieved targets (100% success)				Number of targets not achieved			
Office of Council – Public Participation		8		4				4			
Percentage		100%		50%				50%			

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved	Actual performance for the 2016/17	Reason for non-achievement and variance (deviation)	Plan to address non-achievement and timeframe
											Yes			
Development Priority: Good Governance and Public Participation														
CM99	Religious and Cultural Activities or Event (MRM)	Institutional	Institutional	R300 000	R479 999	8 Religious and cultural activities conducted in all zones.	Number of Moral Regeneration Movement (MRM) programmes conducted and 01 MRM year end function supported	7 MRM programmes conducted and 01 MRM year end function supported	Report, Pictures and Programs	R600 000	No	7 MRM programmes conducted	01 MRM year end function could not be supported due to budget constraints	The target will be conducted during the 2017/18 2 nd quarter
CM100	Speakers Outreach Programme	Institutional	Institutional	R1 000 000	R905	22 outreach	Number of outreach	59 speakers outreach	Minutes and attendance	R900	Yes	59 speakers	N/A	N/A

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for the 2016/17	Reason for non-achievement and variance (deviation)	Plan to address non-achievement and timeframes
											Yes	No			
Development Priority: Good Governance and Public Participation															
		nal	nal		319	programmes held	programmes conducted	programmes conducted	ce registers	000		outreach programmes conducted			
CM10 1	Speakers Stakeholders Forum	Institutional	Institutional	R2 000 000	R1 564 765	4 speaker's stakeholders forum	Number of stakeholders forum meetings held	4 speaker's stakeholders forum meetings held	Minutes and attendance register.	R1 50 0 000	No	2 speaker's stakeholders forum meetings held	Targets could not be achieved due to reprioritisation of other programmes	The forums will be held in the 2017/18 financial year	
CM10 2	Ward Committee and Councillors Capacity Building programme	Institutional	Institutional	R1 000 000	R870 000	2 establishment programmes and 04 capacity building programmes	Number of capacity building programmes conducted	4 capacity building programmes conducted	Attendance register and certificates.	R1 00 0 000	Yes	4 capacity building programmes conducted	N/A	N/A	

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved	Actual performance for the 2016/17	Reason for non-achievement and variance (deviation)	Plan to address non-achievement and timeframe
											Yes			
Development Priority: Good Governance and Public Participation														
CM103	Speaker's Ward Based IDP and Budget Public Participation Programme	Institutional	Institutional	R800 000	R1 028 350	45 Development of ward plans and 12 zonal IDP meetings	Number of Public Participation meetings held	12 Public Participation meetings held	Attendance registers	R800 000	Yes	12 Public Participation meetings held	N/A	N/A
CM104	Council Closing Ceremony	Institutional	Institutional	R400 000	R400 000	1 Council closing ceremony	Number of Council closing ceremony held	1 Number of Council closing ceremony held	Attendance registers, Report	R0	No	0 Number of Council closing ceremony held	Targets could not be achieved due to reprioritisation of other programmes	The council closing ceremony to be held in the 2017/18 financial year.
CM107	Implementation of Council Language Policy	Institutional	Institutional	R500 000	R260 000	5 Documents translated from English to Siswati	Number of documents translated from English to Siswati	5 documents translated from English to Siswati	Documents translated	R260 000	No	03 documents translated from English to siSiswati	Insufficient budget	Sufficient budget for 2017/18 will be made available.

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved	Actual performance for the 2016/17	Reason for non-achievement and variance (deviation)	Plan to address non-achievement and timeframes
				Yes	No									
Development Priority: Good Governance and Public Participation														
CM108	Traditional Leaders Support Programmes	Institutional	Institutional	R500 000	R91 064	9	Number of traditional leaders supported (Cultural events)	10 traditional leaders supported (Cultural events)	Proof of payment	R180 000	Yes	10 traditional leaders supported (Cultural events)	N/A	N/A



3.15 Office of the Chief Whip

The Annual Performance of the department is summarised as follows:

Department/Unit		Total number of targets		Number of achieved targets (100% success)				Number of targets not achieved			
Office of the Chief Whip		5		4				1			
Percentage		100%		80%				20%			

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved	Actual performance for 2016/17	Reason for non-achievement and variations (deviations)	Plans to address non-achievement and timeframes
											Yes			
Development Priority: Good Governance and Public Participation														
CM94	Chief Whip Outreach Programme	Institutional	Institutional	R500 000	R1 093 474	20 chief whip programmes conducted	Number of chief whip programmes conducted	6 chief whip programmes conducted	Attendances registers and reports	R1 059 182.20	Yes	7 chief whip programmes conducted	Demand for 1 more outreach programme	N/A

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variations (deviations)	Plans to address non-achievement and timeframes
											Yes	No			
Development Priority: Good Governance and Public Participation															
CM95	Chief Whip Research Work for All Political Parties	Institutional	Institutional	R400 000	R374 951	6 Chief Whip research work for political parties conducted as per request	Number of Chief Whip research work for political parties conducted as per request	Chief Whip research work for political parties conducted as per request	Reports	R46 100	Yes		1 Chief Whip research work for political parties conducted as per request	N/A	N/A
CM96	Chief Whip Voters Registration and Voter Education	Institutional	Institutional	R100 000	R102 956	25 Chief Whip Voters Registration and Voter Education programmes conducted	Number of Chief Whip Voters Registration and Voter Education programmes conducted	5 Chief Whip Voters Registration and Voter Education programmes conducted	Attendances registers	R29 850	Yes		5 Chief Whip Voters Registration and Voter Education programmes conducted	N/A	N/A
CM97	Women Caucus	Institutional	Institutional	R100 000	R100 000	None	Number of women caucus programmes conducted	3 women caucus programmes conducted	Attendances registers	R49 101.40	Yes		3 women caucus programmes conducted	N/A	N/A

IDP Number	Project Description	Ward	Location	2016/2017 Original Budget	2016/2017 Adjusted Budget	Baseline	Key Performance Indicator	2016/2017 Targets	Means of verification	Actual budget spent	Was the target achieved		Actual performance for 2016/17	Reason for non-achievement and variations (deviations)	Plans to address non-achievement and timeframes	
											Yes	No				
Development Priority: Good Governance and Public Participation																
CM98	Multi-Party Whips Forum	Institutional	Institutional	R200 000	R100 000	None	Number of Multi-Party Whips Forums conducted	2 Multi-Party Whips Forums conducted	Attendance registers	R0	No		1 Multi-Party Whips Forums conducted	None availability of stakeholders	Annual schedule of Multi-Party Whips forums will be developed for the 2017/2018 financial year.	

4. CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

4.1 Post Establishment Report for the 2016/2017 Financial Year

Department	Number of filled positions	Number of vacant funded positions	Number of vacant unfunded positions	Total
Office of the Municipal Manager	07	01	19	27
Office of the Deputy Municipal Manager: Auxiliary Services	22	02	31	55
Office of the Deputy Municipal Manager: Core Services	01	00	02	03
Office of Council	16	00	21	37
Office of Chief Whip				
Strategic Management Services	37	01	46	84
Corporate Services	59	00	62	121
Finance	104	02	68	174
Public Works, Roads and Transport	20	01	45	66
Regional Centre Coordination	1597	17	2305	3919
Legal Services	01	01	07	09
Energy	13	00	14	27
Public Safety	43	01	27	71
Water and Sanitation	07	00	22	29
Community Services	22	00	23	45
City Planning and Development	48	01	76	125
TOTAL	1997	27	2768	4792

4.2 Workforce Profile

Occupational levels

The table below is a reflection of municipal workforce levels for period 1 July 2016 to 30 June 2017.

2016/2017 FINANCIAL YEAR												
Occupational Levels	Male				Female				Foreign Nationals		Total	
	A	C	I	W	A	C	I	W	Male	Female		
Top management	5			1	2						8	
Senior management	42		2	16	23			1			84	
Professionally qualified and experienced specialists and mid-management	87			25	66	3	1	10			192	
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	269	10		19	176	12	3	25			514	
Semi-skilled and discretionary decision making	358	3		1	82	3		1			448	
Unskilled and defined decision making	416	2		1	332	4					755	
TOTAL PERMANENT	1176	15	2	63	681	22	4	37			2001	
Temporary employees	40				48	2					90	
GRAND TOTAL	1218	15	2	63	729	24	4	37			2091	

Pension Funds

City of Mbombela's pension funds were administered under the following schemes during 2016/2017 financial year

- National Fund of Municipal Workers (NFMW)
- Municipal Employees Pension Fund (MEPF)
- Municipal Gratuity Fund (MGF)
- Municipal Councillors Pension Fund (MCPF)
- Joint Municipal Pension Fund (JMPF)
- Government Employees Pension Fund (GEPF)

Medical Aid Schemes

The following medical aid schemes were utilised by the City of Mbombela's officials for the 2016/2017 financial year

- Hosmed Medical Scheme
- SAMWUMed Medical Scheme
- Bonitas Medical Scheme
- KeyHealth Medical Scheme
- LA Health (Discovery)

4.3 Capacitating the municipal workforce

IDP Priority	Strategic Focus Areas	Key Performance Indicators	2016/2017 Financial Year	
			Target	Actual Performance
Institutional arrangement and development	To build strong sustainable governance and institutional structures and arrangements	Number of employees and councillors trained	Employees 200 Councillors (0)	Employees Training – 68 Learnership - 25 Grade 12 – 70 AET - 45 Councillors (0)

Internal and External Bursary Information (Comparisons between 2014/2015 and 2015/2016 financial years)

Number of Internal Bursaries Approved In 2015	Number of External Bursaries Approved In 2015	Number of Internal Bursaries Approved In 2016	Number of External Bursaries Approved In 2016	Number of Internal Bursaries Approved In 2017	Number of External Bursaries Approved In 2017
136	6	165	6	150	0

4.4 MFMA Implementation Report: Municipal Regulations on Minimum Competency Levels

Description	Total number of officials employed by municipality	Total number of officials employed by municipal entities	Consolidated Total of A and B	Consolidated: Competency assessments completed for A & B	Consolidated : Total number of officials whose performance agreements comply with Regulation 16	Consolidated: Total number of officials that meet prescribed competency levels
Financial Officials						
Accounting Officer	1	-	1	1	1	1
Deputy: Chief Financial Officer	1	-	1	1	1	1
Senior Managers& Managers	20	-	20	20	-	12
Any other financial officials	68	-	68		-	27
Supply Chain Management Officials	14	-	14			6

Description	Total number of officials employed by municipality	Total number of officials employed by municipal entities	Consolidated Total of A and B	Consolidated: Competency assessments completed for A & B	Consolidated : Total number of officials whose performance agreements comply with Regulation 16	Consolidated: Total number of officials that meet prescribed competency levels
Head of supply chain management unit	1	-	1	-	1	1
Supply chain management managers	1	-	1	-	1	1
Total	106	-	106	-	-	49

4.5 Municipal workforce expenditure

Financial Year	Actual expenditure on salaries	% of salaries expenditure against total operating budget
2012/2013	396 251 997	23%
2013/2014	476 919 270	27%
2014/2015	536 058 730	27%
2015/2016	543 591 721	24%
2016/2017	634 944 014	27%

5. CHAPTER 5: FINANCIAL PERFORMANCE

Introduction

The application of sound budget and financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The year under review was yet another inspiring period given the persistence hostile cash flow and financial performance challenges experienced during the financial year. Council has at its meeting held 31 May 2017 under item A(4) approved the revenue enhancement strategy for implementation that will ensure that financial sustainability and liquidity management objectives of the City are improved.

The City has implemented the Municipal Standard Chart of Accounts (mSCOA) and has thus prepared the first mSCOA financial statements for the 2016/2017 financial year. The financial statements that have been prepared did not have comparative figures as a result of the amalgamation of the two former municipalities into a new municipality. The City of Mbombela has however take on balances from the former Umjindi and Mbombela local municipalities.

The City has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers and also promulgating its credit control and debt collection policy into a by law.

Planning and Budgeting Performance

The 2016/2017 – 2018/2019 Annual Budget and Medium-Term Revenue and Expenditure Framework was prepared at a time when global and national economies were experiencing weak economic growth. As the prospect of economic growth remains sluggish, the impact of this phenomena was that the City will not experience significant improvement on the revenue generation and collection hence a conservative approach was advised for projecting revenue on the medium-term revenue and expenditure framework. The implications of insignificant improvement on the municipal revenue was that there should be a reprioritization of the municipal programmes and elimination of non-priority spending or expenditure to ensure the core service delivery programmes are not adversely affected by this situation.

The 2016/2017 – 2018/2019 Annual Budget and Medium-Term Revenue and Expenditure Framework was prepared based on the fundamentals of the municipal developmental priorities contained on the Integrated Developmental Plan.

Taking from the development priorities and other institutional factors, the budget was compiled to achieve the following financial and service delivery objectives which include amongst others:

- (a) To improve the adherence to governance and institutional development framework;
- (b) To improve financial performance and sustainability over the long term;

- (c) To ensure the citizens of the municipality are provided with acceptable levels of services;
- (d) To maintain the existing assets and infrastructure base by ensuring adequate repairs and maintenance is undertaken; and
- (e) To achieve a clean audit outcome.
- (f) To enable local economic development initiatives and sustainable employment creation.

In response to the IDP municipal developmental priorities and objectives, a total budget amount of R3, 1 billion (R2, 4 billion for operating expenditure and R729 million for capital expenditure) was approved by Council for the year.

The operating expenditure budget was funded mainly from property rates, service charges and other sundry income which makes up 79 per cent, unconditional operational grants was 21 per cent and.

On the other hand, the funding of the capital budget was mainly sourced from conditional grant funding from the National Fiscus which made up 82 per cent and 18 per cent from own generated revenue.

The property rates, service charges- and sundry charge tariffs and fees approved for implementation on 01 July 2016 until 30 June 2017 by the disestablished Umjindi Local Municipality (Council resolution FA.32 of May 30 May 2016) and Mbombela Local Municipality (Council resolution A (2) of 31 May 2016 were implemented during the period under review.

This also applied to the budget related policies and by-laws approved by the disestablished Umjindi Local Municipality (Council resolution FA.32 of 30 May 2016) and Mbombela Local Municipality (Council resolution A3 of 31 May 2016) which were approved and implemented for the period ended 30 June 2017.

The table below depicts the financial performance against the final approved budget for the year under review:

	Final Budget	Actual outcome	Variance	% Variance
Financial Performance				
Property rates	403 218 350	370 132 722	33 085 628	8%
Service charges	1 029 439 698	968 694 667	60 745 031	6%
Investment revenue	7 682 254	28 240 405	- 20 558 151	-268%
Transfers recognised - operational	475 523 531	494 367 793	- 18 844 262	-4%
Other own revenue	294 247 947	87 837 436	206 410 511	70%
Total revenue (excluding capital transfers and contributions)	2 210 111 780	1 949 273 023	260 838 757	12%
Employee costs	- 616 262 677	- 576 338 064	- 39 924 613	6%
Remuneration of councillors	- 33 465 976	- 30 680 102	- 2 785 874	8%
Debt impairment	- 81 287 581	- 23 416 680	- 57 870 901	71%
Depreciation and asset impairment	- 219 423 837	- 455 223 430	235 799 593	-107%
Finance charges	- 30 719 941	- 48 663 685	17 943 744	-58%
Materials and bulk purchases	- 592 831 555	- 606 735 065	13 903 510	-2%
Transfers and grants	- 41 281 764	- 39 270 698	- 2 011 066	5%
Other expenditure	- 799 717 645	- 920 622 853	120 905 208	-15%
Total expenditure	- 2 414 990 976	- 2 700 950 577	285 959 601	-12%
Total revenue (excluding capital transfers and contributions)	2 210 111 780	1 949 273 023	260 838 757	12%
Total expenditure	- 2 414 990 976	- 2 700 950 577	285 959 601	-12%
Surplus/(Deficit)	- 204 879 196	- 751 677 554	546 798 358	-267%
Transfers recognised - capital	710 062 937	638 016 606	72 046 331	10%
Contributions recognised - capital and contributed assets	6 422 479	-	6 422 479	100%
Surplus/(Deficit)	- 204 879 196	- 751 677 554	546 798 358	-267%
Capital transfers and contributions	710 062 937	638 016 606	72 046 331	10%
Surplus (Deficit) after capital transfers and contributions	505 183 741	- 113 660 948	618 844 689	122%
Surplus (Deficit) after capital transfers and contributions	505 183 741	- 113 660 948	618 844 689	122%
Surplus/(Deficit) for the year	505 183 741	- 113 660 948	618 844 689	122%

The Statement of Financial Performance indicates that a deficit of R114 million has been realised for the period ended 30 June 2017 in comparison with the R505 budget projection.

The deficit amount of R114 million is mainly attributable to the following:

- (a) The increase in depreciation amount of R455 million from the budget allocation amount of R219 million due to the physical verification of all assets for the City after the amalgamation of the two disestablished municipalities.
- (b) The increase in other expenditure amount of R920 million from a budgeted amount of R800 million due to expenditure incurred on the capital budget and for which the item

segment does not meet the asset definition, identification and recognition criteria hence the expenditure was expensed.

- (c) An underperformance on other own revenue by R206 million which is mainly as a result of rental of facilities, traffic fines and service contributions revenue drivers.

The net operating surplus margin ratio for the year under review was minus 35 per cent which was far less than the norm of greater than 0 per cent which indicates that the municipality is not recovering the operational costs for the services being rendered to the community.

The municipality still experiences challenges in payment of creditors within 30 days on receipt of the invoice as required by section 65 (2) (e) of the Municipal Finance Management Act No. 56 of 2003.

Remuneration which includes employee related costs and Councillors remuneration as a percentage of the total operating expenditure ratio was 23 per cent for the year under review and this is within the set norm of between 25 to 40 per cent.

Remedial action plans and internal control measures have been put in place to ensure that the non-compliance matters are dealt with, in its entirety.

A turnaround plan was developed to improve the liquidity management objectives of the City. The City has also undertaken stringent cost curtailment measures and budget reprioritization in order to minimize the expenditure not relating to service delivery.

Capital Expenditure Performance

The total amount invested in service delivery projects through the capital budget implementation amounted to R612 million for the 2016/2017 financial year. This evidences the implementation of the developmental priorities of the municipality in line with the Integrated Development Plan.

The capital expenditure to total expenditure ratio which indicates the prioritisation of expenditure towards current operations versus future capacity is 19 per cent which indicates investment in infrastructure programmes and the performance is between the norms of 10 to 20 per cent in accordance with the Municipal Finance Management Act Circular No 71

Asset and liability management

The table below is a summary of the statement of financial position for the 2016/2017 financial year in comparison to the final approved budget.

Description	2017 Final Budget	2017 Actual	Variance Budget vs Actual	% Variance
<u>Financial Position</u>				
Total current assets	444 869 482	500 685 430	- 55 815 948	-13%
Total non-current assets	6 027 115 157	7 551 406 000	- 1 524 290 843	-25%
Total Assets	6 471 984 639	8 052 091 430	- 1 580 106 791	-24%

Description	2017	2017	Variance	%
Total current liabilities	409 219 447	1 495 459 442	- 1 086 239 995	-265%
Total non-current liabilities	640 842 830	597 475 994	43 366 836	7%
Total Liabilities	1 050 062 277	2 092 935 436	- 1 042 873 159	-99%
Net Assets	5 421 922 362	5 959 155 994	- 537 233 632	-10%
Total Net Assets	5 421 922 362	5 959 155 994	- 537 233 632	-10%

The Statement of Financial Position indicates that the total current assets have over performed with R501 million in comparison to the R445 million budgeted projection amount. This is mainly attributable to the Value Added Tax receivable amount which was due at year end, accounting for the land held for sale which was taken from the combining municipalities and also the trade receivables from exchange and non-exchange transactions.

Non-current assets have over performed by R1,5 billion (25 per cent) due to the process undertaken to physically verify all assets for the combined entity (City of Mbombela) after the amalgamation of the two combining entities (former Mbombela and Umjindi local municipalities).

Current liabilities have also over performed with an actual amount of R1, 5 billion from a budgeted amount to R640 million thus a variance of R1, 1 billion. This is mainly attributable to the increased trade and other payables and unspent conditional grants. The City has taken a resolution to develop and implement a turnaround strategy which includes stringent cost curtailment measures in order to build cash backed reserves to be able to meet its financial and liquidity management objectives.

The liquidity position of the municipality remains a huge area of concern as the current ratio reflects a 0.33:1 ratio and a cash coverage ratio of less than one month. Council has at its meeting approved the liquidity policy at its meeting held 31 May 2017 under item A (3) (c) for implementation. The liquidity policy seeks to give guidance for maintaining sufficient liquidity intensities to meet the liabilities when due under both normal and stressed conditions without incurring any prohibited expenditure.

The City has taken a resolution to develop and implement a turnaround strategy which includes stringent cost curtailment measures in order to build cash backed reserves to be able to meet its financial and liquidity management objectives

The impairment of Property, Plant and Equipment and Investment Property and Intangible Assets ratio is 0 per cent and is also in line with the set norm of 0 per cent as this ratio detects the loss in future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation.

No long term loans were taken during the year. Capital Cost (Interest Paid and Redemption) as a percentage of total operating expenditure ratio for the reported financial period was 1 per cent and the norm is between 6 and 8 per cent. This results alludes to the ability of the municipality to take on additional debt, however this should be viewed in conjunction with the municipality's cash flow risk and ability to meet its short term obligations as they fall due.

The debt to total operating revenue ratio results in 21 per cent for the period under review which is below the norm of 45 per cent. The debt ratio provides assurance that sufficient revenue can be generated by the municipality to service the borrowings.

The municipality continues to update and maintain its asset register in accordance with the Generally Recognised Accounting Practice Framework. Asset Management has been viewed as a critical planning and budgeting tool hence financial resources has been provided to ensure that asset maintenance plans are budgeted for and in future, cash backed assets replacement reserve will be maintained.

Cash flow and investment management

The following tabulates the summary of the cash flow statement for the year thus indicating the cash inflows and outflows:

Description	2017	2017	Variance	% Variance
	Final Budget	Actual	Budget vs Actual	
<u>Cash flows</u>				
Net Cash From (Used) Operating	771 331 763	612 275 610	159 056 153	-21%
Net Cash From (Used) Investing	722 637 476	610 543 825	112 093 651	-16%
Net Cash From (Used) Financing	22 361 503	4 223 078	18 138 425	-81%
Cash/Cash Equivalents At The Beginning of the Year	66 805 780	26 355 573	0000	0%
Cash/Cash Equivalents At The Year End	93 138 564	23 864 280	69 274 284	-74%

The cash generated from operating activities amounts to R612 million for the reported period ended 30 June 2017 and indicates an underperformance of R159 million when compared to the budgeted amount of R771 million.

Cash utilised in investing activities amounted to R611 million and indicates an underperformance of R112 million when paralleled to the budgeted amount of R723 million. Cash flows used financing activities amounted to R4 million for the reported period ended 30 June 2017.

The cash flow movement from operating, financing and investing activities indicates a net decrease in cash and cash equivalents amounting to R2, 5 million.

Investments amounting to R17 million which served as a collateral for the Development Bank of Southern Africa (DBSA) were held as at 30 June 2017.

OTHER FINANCIAL MANAGEMENT MATTERS:

Supply chain management

The municipality has been striving to achieve the medium term strategic objective of ensuring effective, efficient and economical supply chain management process.

The City has a role to play in ensuring through resources allocated on the budget and the medium-term revenue and expenditure framework that it contributes towards the alleviation of unemployment, poverty and inequality challenges. The new Preferential Procurement Regulations enacted on 20 January 2017 that come into effect on 01 April 2017 provides a mechanisms of ensuring there is local economic beneficiation and empowerment of emerging small business enterprises on the procurement system of the organs of the state. The City considered the expanded public works programmes initiatives to create employment by utilising labour intensive mechanisms on implementation of its capital programmes and rendering of certain services.

A total amount of R 348 million was disclosed as irregular expenditure incurred during the year. Of this amount, R308 million was declared as irregular expenditure incurred during the year as a result of the continuation of the multiple extended contracts without following Section 116 of the Municipal Finance Management Act No 56 of 2003 and R 40 million was expenditure incurred as a result of normal supply chain management processes not followed to the latter.

The City has developed Supply Chain Management sourcing strategy which was approved by Council at the meeting held 28 June 2017 under item A(4). One of the objectives of the sourcing strategy is to regulate prices on certain commodities in order to ensure that goods and services are procured in a most economic manner. Remedial action plans and internal control measures have been put in place to ensure that the prohibited expenditures are prevented.

Accounting Services and Reporting

The City strives for credible financial accounting and reporting requirements through the use of internal capacity. The financial statements of the municipality were prepared on an accrual basis of accounting in accordance with standards of the General Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board (ASB) which forms part of the GRAP reporting framework.

The annual financial statements were tabled to the audit committee for review and consideration in accordance with Section 166 (b) of the Municipal Finance Management Act no 56 of 2003 prior submission to the Auditor General.

The annual financial statements were prepared and submitted timeously to the Auditor General in compliance with Section 126 (1) of the Municipal Finance Management Act No 56 of 2003.

The financial statements fairly presented the state of affairs of the municipality, its management of revenue, expenditure, assets and liabilities, its business activities, its financial results, and its financial position.

Oversight and operational continuity.

Oversight roles and responsibilities are undertaken by various section 79 committees and the Municipal Public Accounts Committee (MPAC) in terms of the governance model and administratively through the functional governance structures which includes audit committee, risk management committee and the internal audit unit.

Although the City has been unable to meet all its current obligations within the legislated 30 days period on receipt of an invoice or statement in accordance with Section 65 of the Municipal Finance Management Act No 56 of 2003, the City has made a going concern assessment as at 30 June 2017 taking into account the approved five year Integrated Development Plan, three year medium term revenue and expenditure framework and long term financial plan which evidences the operational continuity of the municipality. A turnaround plan was developed to improve the liquidity management objectives of the City. The City has also undertaken stringent cost curtailment measures and budget reprioritization in order to minimize the expenditure not relating to service delivery.

Audit Outcome

The City has obtained an unqualified audit opinion with matters. Due to the introduction of waste management and greening development priority, there were material audit findings on the audit of performance information. As a result of persistence cash flow constraints, the City was unable to pay most of its service providers within the 30 days legislated period and that has resulted in non-compliance with Section 65 of the Municipal Finance Management Act No 56 of 2003. There were also procurement and contract management compliance audit findings which affected the audit report.

The City has developed a comprehensive remedial action plan to address all the audit findings which will be implemented together with all other turnaround and intervention measures.

Conclusion

The municipality remains committed to continue strengthening its financial position as well as the attainment of a clean audit and the achievement of the long-term strategic objective of turning around the City into a financially sustainable and resilient institution.

6. CHAPTER 6: AUDITOR GENERAL AUDIT FINDINGS^{6.1}

6.1 Auditor General's Report

Report of the auditor-general to Mpumalanga Provincial Legislature and the council on City of Mbombela Local Municipality

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the City of Mbombela Local Municipality set out on pages 399 to 500, which comprise the statement of financial position as at 30 June 2017, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget information with actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the City of Mbombela Local Municipality as at 30 June 2017, and its financial performance and cash flows for the period then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2016 (Act No. 3 of 2016) (DoRA).
3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (IESBA code) together with the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Material uncertainty related to financial sustainability

6. I draw attention to note 57 in the financial statements, which indicates that the municipality incurred a net loss of R113 660 948 during the eleven months ended 30 June 2017 and, as of that date the municipality's current liabilities exceeded its current assets by R994 774 003. As stated in note 57, these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the financial sustainability of the municipality. My opinion is not modified in respect of this matter.

Emphasis of matters

7. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Restatement of opening balances

8. As disclosed in note 43 to the financial statements, the take on balances from the former Mbombela and uMjindi Local Municipalities for 10 August 2016 have been restated as a result of errors in the financial statements of the former municipalities at, and for the period ended, 30 June 2017.

Material losses

9. As disclosed in note 48 to the financial statements, material losses of R73 666 512 were incurred as a result of electricity distribution losses, which represent 14.37% of the total electricity purchased.

Material impairments

10. As disclosed in note 4 to the financial statements, the trade receivables from non-exchange transactions balance was significantly impaired. The impairment of non-exchange receivables amounted to R213 591 015, which represented 77% of the total non-exchange receivables. The contribution to the provision for debt impairment was R50 749 131.
11. As disclosed in note 7 to the financial statements, the trade and other receivables from exchange transactions balance was significantly impaired. The impairment of exchange receivables amounted to R169 512 753, which represented 54% of the total receivables from exchange transactions. The contribution to the provision for debt impairment was R47 147 647.

Events after reporting date

12. As disclosed in note 58 to the financial statements, grant funding amounting to R81.1 million was not approved for roll over by the National Treasury.

Merger

13. As disclosed in note 47 to the financial statements, Mbombela Local Municipality and Umjindi Local Municipality were disestablished and a new category B municipality named City of Mbombela Local Municipality was established on 11 August 2016 as determined by the Demarcation board in accordance with the Mpumalanga Provincial Gazette No 2687. The financial statements for the combined municipality is for the period 11 August 2016 to 30 June 2017.

Other matter

14. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Unaudited disclosure note

15. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion thereon.

Responsibilities of the accounting officer

16. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the SA Standards of GRAP and the requirements of the MFMA and the DoRA and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
17. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the intention is to either liquidate the municipality or to cease operations, or there is no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

18. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
19. A further description of my responsibilities for the audit of the financial statements is included in the annexure to the auditor's report.

Report on the audit of the annual performance report

Introduction and scope

20. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) and the general notice issued in terms thereof I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected development priorities presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
21. My procedures address the reported performance information, which must be based on the approved performance planning documents of the municipality. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
22. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected development priorities presented in the annual performance report of the municipality for the year ended 30 June 2017:

Development priorities	Pages in the annual performance report
Development priority 1.1 – water supply	51 – 237
Development priority 1.2 – roads infrastructure development and storm water	54 – 81
Development priority 1.3 – electricity supply and energy management	63 – 94
Development priority 1.4 – sanitation/ sewerage	53 – 237
Development priority 1.5 – waste management and greening	118 – 124
Development priority 1.7 – public transport	64 – 79

23. I performed procedures to determine whether the reported performance information was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
24. The material findings in respect of the usefulness and reliability of the selected development priorities are as follows:

Development priority 1.5 – waste management and greening

Various indicators

25. I was unable to obtain sufficient appropriate audit evidence for the reported achievements of targets listed below. This was due to limitations placed on the scope of my work as sufficient and appropriate evidence was not maintained throughout the year as required by the technical indicator definition. I was unable to confirm the reported achievement by alternative means. Consequently, I was unable to determine if the planned targets were achieved or whether any adjustments were required to the reported achievements:

No.	Indicator	Planned target	Reported achievement
1	Number of formalised households received basic waste collection services	65 325 formalised households received basic waste collection services	65 325 formalised households received basic waste collection services
2	Number of kilometers where street sweeping is provided	50 kilometers where street sweeping is provided	50 Kilometers where street sweeping is provided
3	Number of kilometres where litter picking is provided	250 kilometers where litter picking is provided	250 kilometers where litter picking is provided

26. I did not identify any material findings on the usefulness and reliability of the reported performance information for the following development priorities:

- Development priority 1.1 – water supply
- Development priority 1.2 – roads infrastructure development and storm water
- Development priority 1.3 – electricity supply and energy management
- Development priority 1.4 – sanitation/ sewerage
- Development priority 1.7 – public transport

Other matters

27. I draw attention to the matters below.

Achievement of planned targets

28. Refer to the annual performance report on pages 49 - 271 for information on the achievement of planned targets for the year and explanations provided for the under achievement of a significant number of targets. This information should be considered in the context of the material findings on the reliability of the reported performance information in paragraph 26 of this report.

Adjustment of material misstatements

29. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of water supply, electricity supply and energy management and waste management and greening. As management subsequently corrected only some of the misstatements, I raised material findings on the reliability of the reported performance information.

Report on audit of compliance with legislation

Introduction and scope

30. In accordance with the PAA and the general notice issued in terms thereof I have a responsibility to report material findings on the compliance of the municipality with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
31. The material findings in respect of the compliance criteria for the applicable subject matters are as follows:

Expenditure management

32. Money owed by the municipality was not always paid within 30 days as required by section 65(2)(e) of the MFMA.

Procurement and contract management

33. Quotations were accepted from bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, as required by SCM regulation 13(c).
34. Awards were made to providers who were in the service of other state institutions, in contravention of MFMA 112(j) and SCM regulation 44.
35. Some of the commodities designated for local content and production, were procured from suppliers who did not meet the prescribed minimum threshold for local production and content, as required by Preferential Procurement Regulation 9(5).

Other information

36. The municipality's accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report thereon and those selected development priorities presented in the annual performance report that have been specifically reported on in the auditor's report.
37. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
38. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected development priorities presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed on the other information

obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact.

39. I have read the other information included in the draft annual report and have nothing to report in this regard.
40. I have not yet received the final annual report containing the other information. When I do receive this information, and if I conclude that it contains a material misstatement, I am required to communicate the matter to those charged with governance and to request the other information to be corrected. If the other information is not corrected, I may have to re-issue my auditor's report amended as appropriate.

Internal control deficiencies

41. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the annual performance report and the findings on compliance with legislation included in this report.

Financial and performance management

42. Recording, review, reporting process and controls over actual achievements of planned targets reported in the annual performance report were not adequate.
43. Non-compliance with legislation could have been prevented had compliance been properly reviewed and monitored.

THE ULTIMATE DESTINATION

Auditor-General

Mbombela

30 November 2017



Auditing to build public confidence

Annexure – Auditor-general’s responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected development priorities and on the municipality’s compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in the auditor’s report, I also:
 - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality’s internal control.
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer.
 - conclude on the appropriateness of the accounting officer’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the municipality’s ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of the auditor’s report. However, future events or conditions may cause the municipality to cease to continue as a going concern.
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and here applicable, related safeguards.



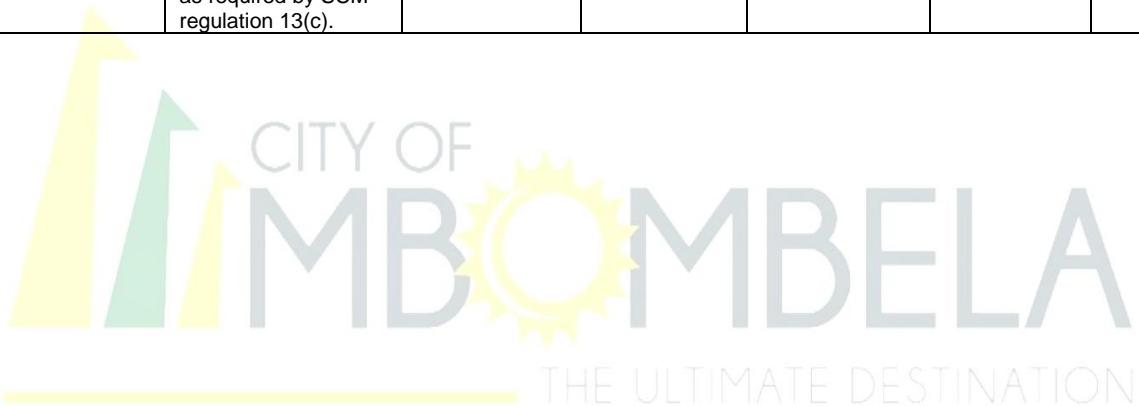
6.2 Remedial Action Plan to address audit findings

REMEDIAL ACTION PLANS TO ADDRESS 2016/2017 AUDIT REPORT FINDINGS RAISED BY THE AUDITOR GENERAL							
No.	Audit Matters	Audit Findings	Remedial Action Plans	Department	Responsible Head of Department	Responsible Senior Manager/ Official	Completion Date
1	Material uncertainty related to financial sustainability	I draw attention to note 57 in the financial statements, which indicates that the municipality incurred a net loss of R113 660 948 during the eleven months ended 30 June 2017 and, as of that date the municipality's current liabilities exceeded its current assets by R994 774 003. As stated in note 57, these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the financial sustainability of the municipality. My opinion is not modified in respect of this matter.	Implementation and Monitoring of the financial turnaround plan	Financial Management	Acting Chief Financial Officer	Deputy Chief Financial Officer	30 June 2019
2	Emphasis of matters: Material losses- Electricity	As disclosed in note 48 to the financial statements, material losses of R73 666 512 were incurred as a result of electricity distribution losses, which represent 14.37% of the total electricity purchased.	Implementation of the Revenue enhancement strategy	Energy Department	General Manager: Energy	Senior Manager : Energy	30 June 2018
3	Emphasis of matters: Material impairments	As disclosed in note 4 to the financial statements, the trade receivables from non-exchange transactions balance was significantly impaired. The impairment of non-exchange receivables amounted to R213 591 015, which represented 77% of the total non-exchange receivables. The contribution to the provision for debt impairment was R50 749 131.	Implementation of the Revenue enhancement strategy	Financial Management	Chief Financial Officer	Senior Manager : Revenue Management	30 June 2018

REMEDIAL ACTION PLANS TO ADDRESS 2016/2017 AUDIT REPORT FINDINGS RAISED BY THE AUDITOR GENERAL							
No.	Audit Matters	Audit Findings	Remedial Action Plans	Department	Responsible Head of Department	Responsible Senior Manager/ Official	Completion Date
		As disclosed in note 7 to the financial statements, the trade and other receivables from exchange transactions balance was significantly impaired. The impairment of exchange receivables amounted to R169 512 753, which represented 54% of the total receivables from exchange transactions. The contribution to the provision for debt impairment was R47 147 647.	Enforcement of credit control and debt collections measures	Financial Management	Chief Financial Officer	Senior Manager : Revenue Management	30 June 2018
4	Irregular expenditure	As disclosed in note 52 to the financial statements, irregular expenditure to the amount of R1 100 376 886 that was incurred by the former Mbombela and uMjindi Local Municipalities in the previous years was still under investigation.	Finalisation of all irregular expenditure investigations incurred	Internal Audit	Chief Audit Executive	Manager : Internal Audit	30 June 2018
5	Events after reporting date	As disclosed in note 58 to the financial statements, grant funding amounting to R81.1 million was not approved for roll over by the National Treasury.	Implementation of Grant funded capital projects acceleration plan	All Departments	All General Managers	Senior Managers	Monthly
6	Performance Information	Development Priority: Waste Management and Greening: I was unable to obtain sufficient appropriate audit evidence for the reported achievements of targets listed below. This was due to limitations placed on the scope of my work as sufficient and appropriate evidence was not maintained throughout the year as required by the technical indicator definition. I was unable to confirm the reported achievement by alternative means.	Development of procedures for setting up of targets and reporting thereof with all the required documentation	Community Services and Performance Management	General Manager : Community Services	Senior Manager: Solid Waste Management Senior Manager: Performance Monitoring and Evaluation.	31 March 2018

REMEDIAL ACTION PLANS TO ADDRESS 2016/2017 AUDIT REPORT FINDINGS RAISED BY THE AUDITOR GENERAL							
No.	Audit Matters	Audit Findings	Remedial Action Plans	Department	Responsible Head of Department	Responsible Senior Manager/ Official	Completion Date
		Consequently, I was unable to determine if the planned targets were achieved or whether any adjustments were required to the reported achievements					
7	Performance Information	Adjustments of material misstatements: I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of water supply, electricity supply and energy management and waste management and greening. As management subsequently corrected only some of the misstatements, I raised material findings on the reliability of the reported performance information	Review of quarterly performance reports with Portfolio of Evidence	Office of the Deputy Municipal Manager : Auxiliary Services	Deputy Municipal Manager : Auxiliary Services	Senior Manager: Performance Monitoring and Evaluation.	31 July 2018
Compliance with Legislation							
8	Expenditure Management	Money owed by the municipality was not always paid within 30 days as required by section 65(2)(e) of the MFMA.	Implementation and Monitoring of the financial turnaround plan	Financial Management	Chief Financial Officer	Deputy Chief Financial Officer	30 June 2019
9	Procurement and contract management	Quotations were accepted from bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, as required by SCM regulation 13(c).	Implementation of the SCM compliance checklist	Financial Management	Chief Financial Officer	Senior Manager : Supply Chain Management	01 March 2018
		Some of the commodities designated for local content and production, were procured from suppliers who did not meet the prescribed minimum threshold for local production	Implementation of the SCM compliance checklist	Financial Management	Chief Financial Officer	Senior Manager : Supply Chain Management	01 March 2018

REMEDIAL ACTION PLANS TO ADDRESS 2016/2017 AUDIT REPORT FINDINGS RAISED BY THE AUDITOR GENERAL							
No.	Audit Matters	Audit Findings	Remedial Action Plans	Department	Responsible Head of Department	Responsible Senior Manager/ Official	Completion Date
		and content, as required by Preferential Procurement Regulation 9(5)					
		Awards were made to providers who were in the service of other state institutions, in contravention of MFMA 112(j) and SCM regulation 44. Furthermore, sufficient appropriate audit evidence could not be obtained that the providers declared that they are in service of the state as required by SCM regulation 13(c).	Implementation of the SCM compliance checklist	Financial Management	Chief Financial Officer	Senior Manager : Supply Chain Management	01 March 2018



7. CONCLUSION

The annual performance report is a tool that will enable the municipality, its stakeholders and communities to assess the municipality's performance against its set targets for the 2016/2017 financial year. There are achievements that were made within the year under review, while the municipality is working hard to improve performance in areas that did not perform well.



APPENDIX A:

Councillors, Committee Allocation and Council Attendance



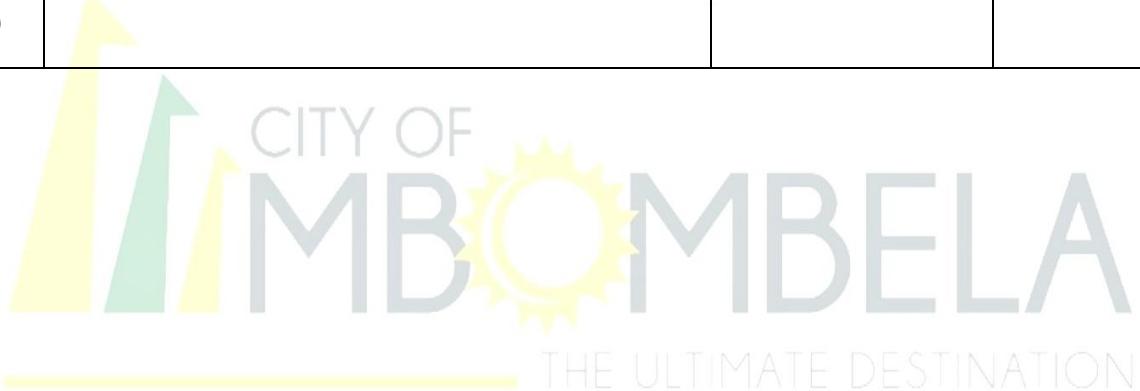
LIST OF COUNCILLORS

	NAME & SURNAME	POLITICAL PARTY	WARD/PR
1)	Anthony, G C B	DA	PR
2)	Banda, S M	ANC	07
3)	Bhembe, L M	ANC	41
4)	Bulunga, T M	ANC	26
5)	Celliers, H P	VF+	PR
6)	Charles, T M	ANC	PR
7)	Fakude, H B	ANC	06
8)	Fankomo, A E	ANC	01
9)	Gecelo-Mkhabela, N E	ANC	PR
10)	Grové-Morgan, T M J	DA	30
11)	Hlophe, M J	ANC	PR
12)	Jacobs, M E	DA	PR
13)	Janse van Rensburg, E G	DA	PR
14)	Khoza, J J	ANC	36
15)	Kumba, A	ANC	PR
16)	Lukhele, N L	ANC	24
17)	Mabuza, T G	ANC	PR
18)	Maganga, N M	ANC	37
19)	Makushe, S E	ANC	PR
20)	Malomane, M J	ANC	05
21)	Manave (Mkhatshwa) T P	ANC	
22)	Manzini, E K	ANC	33
23)	Marshall, T	DA	15
24)	Maseko, C	ANC	PR

25)	Maseko, L	EFF	PR
26)	Masha, S T	ANC	38
27)	Mashaba, J B	ANC	18
28)	Mashego, P V	ANC	PR
29)	Mashele, M S	ANC	PR
30)	Masuku, S R	ANC	28
31)	Mathonsi, S P (Executive Mayor)	ANC	PR
32)	Mazibane, J M	ANC	PR
33)	Mbewe, M	EFF	PR
34)	Mbowane, P P	ANC	PR
35)	Mbuyane, S E	ANC	08
36)	Mdhluli, B N	ANC	PR
37)	Mdhluli, K	DA	PR
38)	Mgwenya, R F	ANC	34
39)	Mhawule, M E	ANC	23
40)	Mhlaba, J V	DA	PR
41)	Mhlanga, B P	DA	PR
42)	Mhlanga, M C (Calvin)	ANC	25
43)	Mhlanga, M C (Mpumelelo)	ANC	PR
44)	Minnaar, P C W	DA	PR
45)	Mkhabela, J J	ANC	44
46)	Mkhatshwa, D B	ANC	19
47)	Mkhatshwa, P V	ANC	PR
48)	Mkhonto, K M	ANC	14
49)	Mlimi, M M	ANC	PR
50)	Mlombo, L T	ANC	PR
51)	Mokoena, N A	ANC	21

52)	Mokoena, S I	ANC	39
53)	Molemo, R Q	ANC	35
54)	Moyana, M G	DA	PR
55)	Msibi, M J (Speaker)	ANC	02
56)	Mthunywa, A S	ANC	PR
57)	Mutobvu, E M	ANC	11
58)	Ndhlovu, K G	ANC	32
59)	Ngobe, D D T	ANC	10
60)	Ngwenyama, D D	ANC	04
61)	Ngwenyama, L	ANC	PR
62)	Nkambule, G M	EFF	PR
63)	Nkhoma, B P	ANC	12
64)	Nkosi, D B	ANC	27
65)	Nkosi, D J	ANC	03
66)	Nkosi, F S	EFF	PR
67)	Nkosi, L B	ANC	45
68)	Nkosi, M C	ANC	42
69)	Nsimbini, M E (Chief Whip)	ANC	PR
70)	Nyalunga, P P	ANC	PR
71)	Nyalungu B A	ANC	31
72)	Nyalungu, L E	ANC	PR
73)	Nyathi, T K	ANC	29
74)	Nyundu, B A	ANC	PR
75)	Oliver, K A	DA	16
76)	Pila, T M	ANC	22
77)	Schormann, S R	DA	PR
78)	Sebashe, E M	ANC	09

79)	Shongwe, D E	ANC	PR
80)	Shongwe, H L	ANC	43
81)	Shongwe, L M	EFF	PR
82)	Sibambo E N	EFF	PR
83)	Sibiya, L C	ANC	20
84)	Sibiya, W P	REAOSA	PR
85)	Sibozza, L E	ANC	PR
86)	Sikonela, L M	ANC	40
87)	Siwela, G S	ANC	PR
88)	Thabethe, A	ANC	13
89)	Van der Merwe, S	DA	17
90)			



Council meetings attended by Councillors

ATTENDANCE REGISTER – COUNCIL MEETINGS – AUGUST 2016 TO DECEMBER 2017

COUNCILLOR	INAUGURAL – 11 AUGUST 2016	1 ST SPECIAL – 18 AUGUST 2016	2 ND SPECIAL – 30 AUGUST 2016	3 RD SPECIAL – 28 SEPTEMBER 2016	1 ST ORDINARY – 27 OCTOBER 2016	2 ND ORDINARY – 13 DECEMBER 2016	1 ST SPECIAL – 12 JANUARY 2017	2 ND SPECIAL – 18 JANUARY 2017	3 RD SPECIAL – 31 JANUARY 2017	1 ST ORDINARY – 28 FEBRUARY 2017	4 TH SPECIAL – 28 FEBRUARY 2017	5 TH SPECIAL – 24 MARCH 2017	6 TH SPECIAL – 31 MARCH 2017	7 TH SPECIAL – 28 APRIL 2017	2 ND ORDINARY – 25 MAY 2017	8 TH SPECIAL – 31 MAY 2017	9 TH SPECIAL – 9 JUNE 2017	10 TH SPECIAL – 28 JUNE 2017	ATTENDANCE PERCENTAGE
M J Msibi (Speaker)	P	P	P	P	A	P	P	P	P	P	P	P	P	P	P	P	P	94	
S P Mathonsi (Executive Mayor)	P	P	A	P	P	P	P	P	P	P	P	P	P	P	P	P	P	94	

COUNCILLOR	INAUGURAL – 11 AUGUST 2016	1 ST SPECIAL – 18 AUGUST 2016	2 ND SPECIAL – 30 AUGUST 2016	3 RD SPECIAL – 28 SEPTEMBER 2016	1 ST ORDINARY – 27 OCTOBER 2016	2 ND ORDINARY – 13 DECEMBER 2016	1 ST SPECIAL – 12 JANUARY 2017	2 ND SPECIAL – 18 JANUARY 2017	3 RD SPECIAL – 31 JANUARY 2017	1 ST ORDINARY – 28 FEBRUARY 2017	4 TH SPECIAL – 28 FEBRUARY 2017	5 TH SPECIAL – 24 MARCH 2017	6 TH SPECIAL – 31 MARCH 2017	7 TH SPECIAL – 28 APRIL 2017	2 ND ORDINARY – 25 MAY 2017	8 TH SPECIAL – 31 MAY 2017	9 TH SPECIAL – 9 JUNE 2017	10 TH SPECIAL – 28 JUNE 2017	ATTENDANCE PERCENTAGE
M E Nsimbini (Chief Whip)	P	P	P	P	A	P	P	P	P	P	P	A	P	A	P	A	P	78	
Anthony G C B	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	100	
Banda S M	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	100	
Bhembe L M	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	A	94		

COUNCILLOR	INAUGURAL – 11 AUGUST 2016	1 ST SPECIAL – 18 AUGUST 2016	2 ND SPECIAL – 30 AUGUST 2016	3 RD SPECIAL – 28 SEPTEMBER 2016	1 ST ORDINARY – 27 OCTOBER 2016	2 ND ORDINARY – 13 DECEMBER 2016	1 ST SPECIAL – 12 JANUARY 2017	2 ND SPECIAL – 18 JANUARY 2017	3 RD SPECIAL – 31 JANUARY 2017	1 ST ORDINARY – 28 FEBRUARY 2017	4 TH SPECIAL – 28 FEBRUARY 2017	5 TH SPECIAL – 24 MARCH 2017	6 TH SPECIAL – 31 MARCH 2017	7 TH SPECIAL – 28 APRIL 2017	2 ND ORDINARY – 25 MAY 2017	8 TH SPECIAL – 31 MAY 2017	9 TH SPECIAL – 9 JUNE 2017	10 TH SPECIAL – 28 JUNE 2017	ATTENDANCE PERCENTAGE
Bulunga T M	P	P	P	P	A	P	AWOL	A	P	P	P	P	P	P	AWOL	P	AWOL	72	
Celliers H P	P	P	P	P	P	P	P	P	P	P	P	P	P	A	P	P	P	94	
Charles T M	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	100	
Fakude H B	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	A	94		
Fankomo A E	P	P	P	P	P	P	P	P	P	P	P	A	P	P	P	P	P	94	

COUNCILLOR	INAUGURAL – 11 AUGUST 2016	1 ST SPECIAL – 18 AUGUST 2016	2 ND SPECIAL – 30 AUGUST 2016	3 RD SPECIAL – 28 SEPTEMBER 2016	1 ST ORDINARY – 27 OCTOBER 2016	2 ND ORDINARY – 13 DECEMBER 2016	1 ST SPECIAL – 12 JANUARY 2017	2 ND SPECIAL – 18 JANUARY 2017	3 RD SPECIAL – 31 JANUARY 2017	1 ST ORDINARY – 28 FEBRUARY 2017	4 TH SPECIAL – 28 FEBRUARY 2017	5 TH SPECIAL – 24 MARCH 2017	6 TH SPECIAL – 31 MARCH 2017	7 TH SPECIAL – 28 APRIL 2017	2 ND ORDINARY – 25 MAY 2017	8 TH SPECIAL – 31 MAY 2017	9 TH SPECIAL – 9 JUNE 2017	10 TH SPECIAL – 28 JUNE 2017	ATTENDANCE PERCENTAGE
Gecelo-Mkhabela N E	P	P	P	A	P	P	P	P	P	P	P	A	P	A	P	P	P	78	
Grové-Morgan T M J	P	P	P	A	P	P	P	P	A	P	P	P	A	P	P	P	P	83	
Hlophe M J	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	100	
Jacobs M E	P	P	P	P	P	A	P	P	P	P	P	P	P	P	P	P	P	94	
Janse van	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	100	

COUNCILLOR	INAUGURAL – 11 AUGUST 2016	1 ST SPECIAL – 18 AUGUST 2016	2 ND SPECIAL – 30 AUGUST 2016	3 RD SPECIAL – 28 SEPTEMBER 2016	1 ST ORDINARY – 27 OCTOBER 2016	2 ND ORDINARY – 13 DECEMBER 2016	1 ST SPECIAL – 12 JANUARY 2017	2 ND SPECIAL – 18 JANUARY 2017	3 RD SPECIAL – 31 JANUARY 2017	1 ST ORDINARY – 28 FEBRUARY 2017	4 TH SPECIAL – 28 FEBRUARY 2017	5 TH SPECIAL – 24 MARCH 2017	6 TH SPECIAL – 31 MARCH 2017	7 TH SPECIAL – 28 APRIL 2017	2 ND ORDINARY – 25 MAY 2017	8 TH SPECIAL – 31 MAY 2017	9 TH SPECIAL – 9 JUNE 2017	10 TH SPECIAL – 28 JUNE 2017	ATTENDANCE PERCENTAGE
Rensburg E G																			
Khoza J J	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	100	
Kumba A	P	P	P	P	P	P	A	P	A	P	P	P	P	P	P	P	P	83	
Lukhele N L	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	100	
Mabuza T G	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	100	

COUNCILLOR	INAUGURAL – 11 AUGUST 2016	1 ST SPECIAL – 18 AUGUST 2016	2 ND SPECIAL – 30 AUGUST 2016	3 RD SPECIAL – 28 SEPTEMBER 2016	1 ST ORDINARY – 27 OCTOBER 2016	2 ND ORDINARY – 13 DECEMBER 2016	1 ST SPECIAL – 12 JANUARY 2017	2 ND SPECIAL – 18 JANUARY 2017	3 RD SPECIAL – 31 JANUARY 2017	1 ST ORDINARY – 28 FEBRUARY 2017	4 TH SPECIAL – 28 FEBRUARY 2017	5 TH SPECIAL – 24 MARCH 2017	6 TH SPECIAL – 31 MARCH 2017	7 TH SPECIAL – 28 APRIL 2017	2 ND ORDINARY – 25 MAY 2017	8 TH SPECIAL – 31 MAY 2017	9 TH SPECIAL – 9 JUNE 2017	10 TH SPECIAL – 28 JUNE 2017	ATTENDANCE PERCENTAGE
Maganga N M	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	100	
Makushe S E	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	100	
Malomane M J	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	100	
Manave T P	-	-	-	-	-	-	-	-	-	-	P	P	P	A	P	A	P	71	
Manzini E K	P	P	P	P	P	P	P	P	P	P	P	P	P	A	P	P	P	94	

COUNCILLOR	INAUGURAL – 11 AUGUST 2016	1 ST SPECIAL – 18 AUGUST 2016	2 ND SPECIAL – 30 AUGUST 2016	3 RD SPECIAL – 28 SEPTEMBER 2016	1 ST ORDINARY – 27 OCTOBER 2016	2 ND ORDINARY – 13 DECEMBER 2016	1 ST SPECIAL – 12 JANUARY 2017	2 ND SPECIAL – 18 JANUARY 2017	3 RD SPECIAL – 31 JANUARY 2017	1 ST ORDINARY – 28 FEBRUARY 2017	4 TH SPECIAL – 28 FEBRUARY 2017	5 TH SPECIAL – 24 MARCH 2017	6 TH SPECIAL – 31 MARCH 2017	7 TH SPECIAL – 28 APRIL 2017	2 ND ORDINARY – 25 MAY 2017	8 TH SPECIAL – 31 MAY 2017	9 TH SPECIAL – 9 JUNE 2017	10 TH SPECIAL – 28 JUNE 2017	ATTENDANCE PERCENTAGE
Marshall T	P	P	P	P	P	P	P	P	P	A	P	A	A	P	P	P	P	83	
Maseko C	P	P	P	P	P	P	A	P	P	P	P	A	P	P	P	P	P	89	
Maseko L	P	P	P	P	A	P	A	P	P	P	P	P	P	A	P	A	P	78	
Masha S T	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	100	
Mashaba J B	P	P	P	P	P	AWOL	P	A	P	P	P	P	P	P	P	A	P	83	
Mashego P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	A	P	94	

COUNCILLOR																	
V	INAUGURAL – 11 AUGUST 2016																
Mashele M S	1 ST SPECIAL – 18 AUGUST 2016																
Masuku S R	2 ND SPECIAL – 30 AUGUST 2016																
Mazibane J M	3 RD SPECIAL – 28 SEPTEMBER 2016																
Mbewe M	1 ST ORDINARY – 27 OCTOBER 2016																
	2 ND ORDINARY – 13 DECEMBER 2016																
	1 ST SPECIAL – 12 JANUARY 2017																
	2 ND SPECIAL – 18 JANUARY 2017																
	3 RD SPECIAL – 31 JANUARY 2017																
	1 ST ORDINARY – 28 FEBRUARY 2017																
	4 TH SPECIAL – 28 FEBRUARY 2017																
	5 TH SPECIAL – 24 MARCH 2017																
	6 TH SPECIAL – 31 MARCH 2017																
	7 TH SPECIAL – 28 APRIL 2017																
	2 ND ORDINARY – 25 MAY 2017																
	8 TH SPECIAL – 31 MAY 2017																
	9 TH SPECIAL – 9 JUNE 2017																
	10 TH SPECIAL – 28 JUNE 2017																
	ATTENDANCE PERCENTAGE																
V	P	P	P	P	A	P	P	P	P	P	P	P	P	A	P	P	89
Mashele M S	P	P	P	P	P	P	A	P	P	A	A	P	P	P	P	P	83
Masuku S R	P	P	P	P	P	P	P	A	P	A	A	P	P	P	P	P	89
Mazibane J M	P	A	P	P	P	P	P	P	P	P	P	A	P	P	P	P	89
Mbewe M	P	P	P	P	A	P	P	P	P	P	P	P	P	P	P	P	94

COUNCILLOR	INAUGURAL – 11 AUGUST 2016	1 ST SPECIAL – 18 AUGUST 2016	2 ND SPECIAL – 30 AUGUST 2016	3 RD SPECIAL – 28 SEPTEMBER 2016	1 ST ORDINARY – 27 OCTOBER 2016	2 ND ORDINARY – 13 DECEMBER 2016	1 ST SPECIAL – 12 JANUARY 2017	2 ND SPECIAL – 18 JANUARY 2017	3 RD SPECIAL – 31 JANUARY 2017	1 ST ORDINARY – 28 FEBRUARY 2017	4 TH SPECIAL – 28 FEBRUARY 2017	5 TH SPECIAL – 24 MARCH 2017	6 TH SPECIAL – 31 MARCH 2017	7 TH SPECIAL – 28 APRIL 2017	2 ND ORDINARY – 25 MAY 2017	8 TH SPECIAL – 31 MAY 2017	9 TH SPECIAL – 9 JUNE 2017	10 TH SPECIAL – 28 JUNE 2017	ATTENDANCE PERCENTAGE
Mbowane P P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	100	
Mbuyane S E	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	100	
Mdhluli B N	P	P	P	A	P	A	P	P	P	A	A	A	P	P	P	P	P	72	
Mdhluli K	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	100	
Mgwanya R F	P	P	P	A	P	P	P	P	P	P	P	P	A	P	P	P	P	89	

COUNCILLOR	INAUGURAL – 11 AUGUST 2016	1 ST SPECIAL – 18 AUGUST 2016	2 ND SPECIAL – 30 AUGUST 2016	3 RD SPECIAL – 28 SEPTEMBER 2016	1 ST ORDINARY – 27 OCTOBER 2016	2 ND ORDINARY – 13 DECEMBER 2016	1 ST SPECIAL – 12 JANUARY 2017	2 ND SPECIAL – 18 JANUARY 2017	3 RD SPECIAL – 31 JANUARY 2017	1 ST ORDINARY – 28 FEBRUARY 2017	4 TH SPECIAL – 28 FEBRUARY 2017	5 TH SPECIAL – 24 MARCH 2017	6 TH SPECIAL – 31 MARCH 2017	7 TH SPECIAL – 28 APRIL 2017	2 ND ORDINARY – 25 MAY 2017	8 TH SPECIAL – 31 MAY 2017	9 TH SPECIAL – 9 JUNE 2017	10 TH SPECIAL – 28 JUNE 2017	ATTENDANCE PERCENTAGE
Mhawule M E	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	100	
Mhlaba J V	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	100	
Mhlanga B P	A	A	A	A	A	P	P	P	P	P	P	P	P	P	P	P	P	72	
Mhlanga M C (Calvin)	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	100	
Mhlanga M C	P	P	P	P	P	P	P	A	P	P	P	P	P	P	P	P	P	94	

COUNCILLOR	INAUGURAL – 11 AUGUST 2016	1 ST SPECIAL – 18 AUGUST 2016	2 ND SPECIAL – 30 AUGUST 2016	3 RD SPECIAL – 28 SEPTEMBER 2016	1 ST ORDINARY – 27 OCTOBER 2016	2 ND ORDINARY – 13 DECEMBER 2016	1 ST SPECIAL – 12 JANUARY 2017	2 ND SPECIAL – 18 JANUARY 2017	3 RD SPECIAL – 31 JANUARY 2017	1 ST ORDINARY – 28 FEBRUARY 2017	4 TH SPECIAL – 28 FEBRUARY 2017	5 TH SPECIAL – 24 MARCH 2017	6 TH SPECIAL – 31 MARCH 2017	7 TH SPECIAL – 28 APRIL 2017	2 ND ORDINARY – 25 MAY 2017	8 TH SPECIAL – 31 MAY 2017	9 TH SPECIAL – 9 JUNE 2017	10 TH SPECIAL – 28 JUNE 2017	ATTENDANCE PERCENTAGE
(Mpumelelo)																			
Minnaar P C W	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	A	94	
Mkhabela J J	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	100	
Mkhatshwa D B	P	P	P	P	P	P	P	P	P	P	P	A	P	P	P	P	P	94	
Mkhatshwa	P	P	P	P	P	P	P	A	P	P	P	A	P	P	P	P	P	89	

COUNCILLOR														
P V	INAUGURAL – 11 AUGUST 2016													
Mkhonto K M	1 ST SPECIAL – 18 AUGUST 2016													
Mlimi M M	2 ND SPECIAL – 30 AUGUST 2016													
Mlimo V L	3 RD SPECIAL – 28 SEPTEMBER 2016													
Mlombo L T	1 ST ORDINARY – 27 OCTOBER 2016													
	2 ND ORDINARY – 13 DECEMBER 2016													
	1 ST SPECIAL – 12 JANUARY 2017													
	2 ND SPECIAL – 18 JANUARY 2017													
	3 RD SPECIAL – 31 JANUARY 2017													
	1 ST ORDINARY – 28 FEBRUARY 2017													
	4 TH SPECIAL – 28 FEBRUARY 2017													
	5 TH SPECIAL – 24 MARCH 2017													
	6 TH SPECIAL – 31 MARCH 2017													
	7 TH SPECIAL – 28 APRIL 2017													
	2 ND ORDINARY – 25 MAY 2017													
	8 TH SPECIAL – 31 MAY 2017													
	9 TH SPECIAL – 9 JUNE 2017													
	10 TH SPECIAL – 28 JUNE 2017													
	ATTENDANCE PERCENTAGE													
P	P	P	P	P	P	P	A	P	P	P	P	P	P	P
M	-	-	-	-	-	-	-	-	-	-	-	-	-	-
M	P	P	P	A	P	P	A	P	P	P	A	P	P	A
M	-	-	-	-	-	-	-	-	-	-	-	-	-	-
T	P	P	P	P	P	P	P	P	P	P	P	P	P	100

COUNCILLOR	INAUGURAL – 11 AUGUST 2016	1 ST SPECIAL – 18 AUGUST 2016	2 ND SPECIAL – 30 AUGUST 2016	3 RD SPECIAL – 28 SEPTEMBER 2016	1 ST ORDINARY – 27 OCTOBER 2016	2 ND ORDINARY – 13 DECEMBER 2016	1 ST SPECIAL – 12 JANUARY 2017	2 ND SPECIAL – 18 JANUARY 2017	3 RD SPECIAL – 31 JANUARY 2017	1 ST ORDINARY – 28 FEBRUARY 2017	4 TH SPECIAL – 28 FEBRUARY 2017	5 TH SPECIAL – 24 MARCH 2017	6 TH SPECIAL – 31 MARCH 2017	7 TH SPECIAL – 28 APRIL 2017	2 ND ORDINARY – 25 MAY 2017	8 TH SPECIAL – 31 MAY 2017	9 TH SPECIAL – 9 JUNE 2017	10 TH SPECIAL – 28 JUNE 2017	ATTENDANCE PERCENTAGE
Mokoena N A	P	P	P	P	P	P	P	P	A	A	P	P	A	P	P	A	A	72	
Mokoena S I	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	100	
Moyana M G	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	100	
Mthunywa A S	P	P	P	P	P	P	P	A	P	P	P	P	P	P	P	P	P	94	
Mutobvu E	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	100	

COUNCILLOR															
	INAGURAL – 11 AUGUST 2016														
M	1 ST SPECIAL – 18 AUGUST 2016														
Ndhlovu K G	2 ND SPECIAL – 30 AUGUST 2016														
Ngobe D D T	3 RD SPECIAL – 28 SEPTEMBER 2016														
Ngwenyama D D	1 ST ORDINARY – 27 OCTOBER 2016														
Ngwenyama L	2 ND ORDINARY – 13 DECEMBER 2016														
	1 ST SPECIAL – 12 JANUARY 2017														
	2 ND SPECIAL – 18 JANUARY 2017														
	3 RD SPECIAL – 31 JANUARY 2017														
	1 ST ORDINARY – 28 FEBRUARY 2017														
	4 TH SPECIAL – 28 FEBRUARY 2017														
	5 TH SPECIAL – 24 MARCH 2017														
	6 TH SPECIAL – 31 MARCH 2017														
	7 TH SPECIAL – 28 APRIL 2017														
	2 ND ORDINARY – 25 MAY 2017														
	8 TH SPECIAL – 31 MAY 2017														
	9 TH SPECIAL – 9 JUNE 2017														
	10 TH SPECIAL – 28 JUNE 2017														
	ATTENDANCE PERCENTAGE														
	P	P	P	P	P	AWOL	P	P	P	P	P	P	P	P	P
	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P

COUNCILLOR	INAUGURAL – 11 AUGUST 2016	1 ST SPECIAL – 18 AUGUST 2016	2 ND SPECIAL – 30 AUGUST 2016	3 RD SPECIAL – 28 SEPTEMBER 2016	1 ST ORDINARY – 27 OCTOBER 2016	2 ND ORDINARY – 13 DECEMBER 2016	1 ST SPECIAL – 12 JANUARY 2017	2 ND SPECIAL – 18 JANUARY 2017	3 RD SPECIAL – 31 JANUARY 2017	1 ST ORDINARY – 28 FEBRUARY 2017	4 TH SPECIAL – 28 FEBRUARY 2017	5 TH SPECIAL – 24 MARCH 2017	6 TH SPECIAL – 31 MARCH 2017	7 TH SPECIAL – 28 APRIL 2017	2 ND ORDINARY – 25 MAY 2017	8 TH SPECIAL – 31 MAY 2017	9 TH SPECIAL – 9 JUNE 2017	10 TH SPECIAL – 28 JUNE 2017	ATTENDANCE PERCENTAGE
Nkambule G M	P	P	P	P	A	P	P	A	P	P	P	P	A	P	A	P	P	78	
Nkhoma B P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	100	
Nkosi D B	P	P	P	P	P	P	A	P	P	P	P	P	P	P	P	P	P	94	
Nkosi D J	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	100	
Nkosi F S	P	P	P	P	A	P	P	A	P	P	P	A	A	P	P	A	P	72	

COUNCILLOR	INAUGURAL – 11 AUGUST 2016	1 ST SPECIAL – 18 AUGUST 2016	2 ND SPECIAL – 30 AUGUST 2016	3 RD SPECIAL – 28 SEPTEMBER 2016	1 ST ORDINARY – 27 OCTOBER 2016	2 ND ORDINARY – 13 DECEMBER 2016	1 ST SPECIAL – 12 JANUARY 2017	2 ND SPECIAL – 18 JANUARY 2017	3 RD SPECIAL – 31 JANUARY 2017	1 ST ORDINARY – 28 FEBRUARY 2017	4 TH SPECIAL – 28 FEBRUARY 2017	5 TH SPECIAL – 24 MARCH 2017	6 TH SPECIAL – 31 MARCH 2017	7 TH SPECIAL – 28 APRIL 2017	2 ND ORDINARY – 25 MAY 2017	8 TH SPECIAL – 31 MAY 2017	9 TH SPECIAL – 9 JUNE 2017	10 TH SPECIAL – 28 JUNE 2017	ATTENDANCE PERCENTAGE
Nkosi L B	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	P	100		
Nkosi M C	P	P	P	P	P	P	P	P	P	P	P	A	P	P	P	P	AWOL	89	
Nyalunga P P	P	P	P	P	P	P	A	P	P	P	P	P	P	P	A	P	P	89	
Nyalungu A	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	100	
Nyalungu L E	P	P	P	A	P	P	P	P	P	P	A	P	P	P	P	P	P	89	

COUNCILLOR	INAUGURAL – 11 AUGUST 2016	1 ST SPECIAL – 18 AUGUST 2016	2 ND SPECIAL – 30 AUGUST 2016	3 RD SPECIAL – 28 SEPTEMBER 2016	1 ST ORDINARY – 27 OCTOBER 2016	2 ND ORDINARY – 13 DECEMBER 2016	1 ST SPECIAL – 12 JANUARY 2017	2 ND SPECIAL – 18 JANUARY 2017	3 RD SPECIAL – 31 JANUARY 2017	1 ST ORDINARY – 28 FEBRUARY 2017	4 TH SPECIAL – 28 FEBRUARY 2017	5 TH SPECIAL – 24 MARCH 2017	6 TH SPECIAL – 31 MARCH 2017	7 TH SPECIAL – 28 APRIL 2017	2 ND ORDINARY – 25 MAY 2017	8 TH SPECIAL – 31 MAY 2017	9 TH SPECIAL – 9 JUNE 2017	10 TH SPECIAL – 28 JUNE 2017	ATTENDANCE PERCENTAGE
Nyathi T K	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	100	
Nyundu B A	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	100	
Oliver K A	P	P	P	P	P	P	P	P	P	P	A	A	P	P	P	P	P	89	
Pila T M	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	100	
Schormann S R	P	A	P	P	P	P	P	P	P	A	A	P	A	P	P	P	P	78	

COUNCILLOR		INAUGURAL – 11 AUGUST 2016	1 ST SPECIAL – 18 AUGUST 2016	2 ND SPECIAL – 30 AUGUST 2016	3 RD SPECIAL – 28 SEPTEMBER 2016	1 ST ORDINARY – 27 OCTOBER 2016	2 ND ORDINARY – 13 DECEMBER 2016	1 ST SPECIAL – 12 JANUARY 2017	2 ND SPECIAL – 18 JANUARY 2017	3 RD SPECIAL – 31 JANUARY 2017	1 ST ORDINARY – 28 FEBRUARY 2017	4 TH SPECIAL – 28 FEBRUARY 2017	5 TH SPECIAL – 24 MARCH 2017	6 TH SPECIAL – 31 MARCH 2017	7 TH SPECIAL – 28 APRIL 2017	2 ND ORDINARY – 25 MAY 2017	8 TH SPECIAL – 31 MAY 2017	9 TH SPECIAL – 9 JUNE 2017	10 TH SPECIAL – 28 JUNE 2017	ATTENDANCE PERCENTAGE
M																				
Sibambo E N	-	-	P	P	P	P	P	P	P	P	P	P	P	P	P	A	P	94		
Sibiya L C	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	100		
Sibiya W P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	100		
Sibozza L E	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	100		
Sikonela L	P	P	P	P	P	A	P	P	P	P	P	P	P	P	P	P	P	94		

		COUNCILLOR														
		INAGURAL – 11 AUGUST 2016														
		1 ST SPECIAL – 18 AUGUST 2016														
		2 ND SPECIAL – 30 AUGUST 2016														
		3 RD SPECIAL – 28 SEPTEMBER 2016														
		1 ST ORDINARY – 27 OCTOBER 2016														
		2 ND ORDINARY – 13 DECEMBER 2016														
		1 ST SPECIAL – 12 JANUARY 2017														
		2 ND SPECIAL – 18 JANUARY 2017														
		3 RD SPECIAL – 31 JANUARY 2017														
		1 ST ORDINARY – 28 FEBRUARY 2017														
		4 TH SPECIAL – 28 FEBRUARY 2017														
		5 TH SPECIAL – 24 MARCH 2017														
		6 TH SPECIAL – 31 MARCH 2017														
		7 TH SPECIAL – 28 APRIL 2017														
		2 ND ORDINARY – 25 MAY 2017														
		8 TH SPECIAL – 31 MAY 2017														
		9 TH SPECIAL – 9 JUNE 2017														
		10 TH SPECIAL – 28 JUNE 2017														
		ATTENDANCE PERCENTAGE														
M																
Siwela G S	P	P	P	P	P	P	P	P	P	P	A	A	P	A	P	78
Thabethe A	P	P	P	P	P	P	P	P	P	P	P	P	P	A	P	94
Van der Merwe S	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	100

P = Present

A = Apology

AWOL = Absent without leave

- = Not yet / any longer a Councillor

APPENDIX B:

Committee and Committee Purpose



SECTION 79 OVERSIGHT- AND HOUSE COMMITTEES

CITY PLANNING AND RURAL DEVELOPMENT	COMMUNITY SERVICES	CORPORATE SERVICES	ENERGY	FINANCIAL MANAGEMENT
<i>Chairperson:</i> <i>Cllr J J Khoza</i>	<i>Chairperson:</i> <i>Cllr M J Hlophe</i>	<i>Chairperson</i> <i>Cllr J M Mazibane</i>	<i>Chairperson</i> <i>Cllr T G Mabuza</i>	<i>Chairperson</i> <i>Cllr E M Mutobvu</i>
S M Banda	L M Bhembe	T M Bulunga	G C B Anthony	H P Celliers
E G Janse van Rensburg	M J Malomane	M E Mhawule	E K Manzini	T M J Grové- Morgan
S E Makushe	R F Mgwenya	G M Nkambule	M C Mhlanga (Mpumelelo)	N A Mokoena
S E Mbuyane	J V Mhlaba	K A Oliver	B P Nkhoma	D J Nkosi
D D T Ngobe	L Ngwenyama	W P Sibiya	L M Shongwe	F S Nkosi
G M Nkambule	H L Shongwe		W P Sibiya	E M Sebashe
D E Shongwe	L M Shongwe			L E Sibozza

PUBLIC SAFETY	PUBLIC WORKS AND TRANSPORT	REGIONAL CENTRE CO-ORDINATION	STRATEGIC SUPPORT	WATER AND SANITATION
<i>Chairperson: Cllr L T Mlombo</i>	<i>Chairperson: Cllr D D Ngwenyama</i>	<i>Chairperson Cllr D B Mkhathswa</i>	<i>Chairperson: Cllr T M Charles</i>	<i>Chairperson: Cllr S I Mokoena</i>
A E Fankomo	H P Celliers	H B Fakude	N M Maganga	T M J Grové - Morgan
T Marshall	N L Lukhele	M E Jacobs	M Mbewe	P P Mbowane
M S Mashele	L Maseko	S T Masha	A S Mthunywa	K G Ndhlovu
M Mbewe	S R Masuku	J J Mkhabela	T K Nyathi	F S Nkosi
R Q Molemo	P C W Minnaar	D B Nkosi	L M Sikonela	B A Nyundu
M C Nkosi	M M Mlimi	E N Sibambo	S van der Merwe	K A Oliver
	B A Nyalungu	L C Sibiya		W P Sibiya
				A Thabethe

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE	PUBLIC PARTICIPATION AND PETITION COMMITTEE
<i>Chairperson:</i> <i>Cllr K M Mkhonto</i>	<i>Chairperson:</i> <i>Cllr M J Msibi</i>
L Maseko	T M Charles
J B Mashaba	E G Janse van Rensburg
M C Mhlanga (Calvin)	T G Mabuza
T M Pila	J M Mazibane
S R Schormann	P V Mkhatshwa
E M Sebashe	K M Mkhonto
	G M Nkambule
	W P Sibiya

CHAIRPERSONS COMMITTEE	PROGRAMMING COMMITTEE	RULES AND ETHICS	PARTY WHIPS FORUM
<i>Chair of Chairs:</i> <i>Cllr J M Mazibane</i>	<i>Chairperson</i> <i>Cllr M J Msibi</i>	<i>Chairperson</i> <i>Cllr M J Msibi</i>	<i>Chairperson</i> <i>Cllr M E Nsimbini</i>
T M Charles	H P Celliers	H P Celliers	H P Celliers
M J Hlophe	Mathonsi S P (P V Mkhatshwa)	P V Mkhatshwa	L M Shongwe
J J Khoza	J M Mazibane	M E Nsimbini	W P Sibiya
T G Mabuza	M E Nsimbini	L M Shongwe	S van der Merwe
D B Mkhatshwa	L M Shongwe	W P Sibiya	
K M Mkhonto	W P Sibiya	S van der Merwe	
L T Mlombo	S van der Merwe		
S I Mokoena			
E M Mutobvu			
D D Ngwenyama			

PURPOSE OF EACH COMMITTEE

These Committees operate in terms of Section 79 of the Local Government Structures Act No. 72.

ROLE AND OBJECTIVES OF SECTION 79 OVERSIGHT COMMITTEES

It will be expected from Section 79 Oversight Committees to monitor and evaluate all aspects of executive activities and submits reports to Council pertaining to:

- i. Performance in terms of service delivery.
- ii. All compliance and non-compliance matters as well as adherence to service delivery standards and good governance.
- iii. Identification of challenges that have a negative influence on the municipality's ability to render affordable and sustainable municipal services.
- iv. Advise on how to resolve issues that have a negative impact on service delivery.

To further clarify the role of Section 79 Oversight Committees, the following can also be stated:

- 1) Section 79 Oversight Committees have no delegation to recommend or approve any financial matter, appointment of any service provider or the acquiring of goods and infrastructure.
- 2) Section 79 Oversight Committees have no delegation to recommend or approve the appointment of personnel.
- 3) Section 79 Oversight Committees have no delegation to instruct/request any official to take any action with regards to service delivery. If a Committee resolves that an urgent intervention is imperative, the matter must be discussed with the Executive Mayor/relevant MMC/Municipal Manager. Section 79 Oversight Committees have no delegation to consider any report from the Executive before tabling it before Council for consideration. (This mean that reports from the Executive will not be tabled before Council for consideration via the Section 79 Committees. If the Executive Mayor approved the report, it will be tabled directly to Council via the Office of the Speaker).
- 4) Section 79 Oversight Committees have no executive powers as this is the domain of the Executive.

OBJECTIVES OF OVERSIGHT COMMITTEES

Section 79 Oversight Committees will provide assurance to Council that:

- 1) Service delivery happens in terms of the approved Integrated Development Plan (IDP) and Service Delivery Budget Implementation Plan (SDBIP).
- 2) The Executive acts in compliance with applicable legislation, Council policies and accepted administrative standards and good practice, as approved by Council, Provincial and National governments.
- 3) The Executive performs its duties in terms of agreed performance standards according to the IDP/SDBIP and other prescribed performance regulations.
- 4) To help in ensuring that the government process is accepted as responsive, legitimate and democratic by residents.
- 5) To help in building an effective and efficient cooperative and transparent institution.
- 6) To help in ensuring the accountability of government through effective oversight and scrutiny.
- 7) To effectively monitor the implementation of Council resolutions;
- 8) To assist in the effective measuring of institutional performance.
- 9) To provide an opinion on the successful mitigation of enterprise risks.

ROLE AND RESPONSIBILITIES OF EVERY SECTION 79 OVERSIGHT COMMITTEE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)

ROLE

The role of MPAC is to submit an opinion and recommendations to Council, the Provincial and National Governments with regard to:

- a) Compliance of all financial processes with applicable legislation, policies and best practices.
- b) Financial status of the municipality.

RESPONSIBILITIES

The responsibilities of MPAC are the following:

- 1) Review of the annual report.
- 2) Regular examining of financial statements and audit reports of the municipality.
- 3) The committee must consider improvements from previous financial statements and reports must evaluate the extent to which the Audit Committee and the Auditor-General's recommendations have been implemented.
- 4) To promote transparency and public accountability.

- 5) To recommend any investigation in the area of competence of the Executive/Council.
- 6) To perform any other function assigned by resolution of Council in its area of competence.

FINANCIAL AND CORPORATE SERVICES COMMITTEE

ROLE

The Committee is tasked with oversight of the following departments:

- a) Treasury Services Department.
- b) Corporate Services Department

RESPONSIBILITIES

This Committee is responsible for the monitoring, evaluation and report on performance pertaining to:

- 1) Enforcing of relevant by-laws.
- 2) Imposition of tariffs, assessment rates and levies.
- 3) Raising of loans.
- 4) Annual budget and adjustments thereto.
- 5) Payment of performance bonuses to personnel.
- 6) Entering into service delivery agreements.
- 7) Advice on the adoption of a rates policy.
- 8) Establishment of Municipal Entities.
- 9) Establishment of Public Partnerships between the municipality and the private sector.
- 10) Amendment of relevant policies.
- 11) Writing off of wasteful, fruitless and irregular expenditure.
- 12) Credit control and debt collections policy.
- 13) Recommendations with regards to section 71 reports (MFMA).
- 14) Adoption of a performance management system.
- 15) Decisions taken by the Executive Mayor on behalf of Council, when Council is in recess.
- 16) Financial contributions in terms of: (a). engineering services; and (b). open areas and parks.

- 17) General valuation roll.
- 18) Approval of monthly budget statements and mid-year budget and performance assessment.
- 19) Performance in terms of the SDBIP.
- 20) Utilization of Council resources.
- 21) Financial management and value for money.
- 22) Adherence to the Batho Pele principles.
- 23) Compliance with legislation.
- 24) Sound management practices.
- 25) Implementation of the policy framework for staff the establishment.
- 26) Performance of the Municipal Manager and all personnel.
- 27) Benefits and other conditions of service of the Municipal Manager or managers directly responsible to the Municipal Manager.
- 28) Executing of disciplinary action against the Municipal/ Acting Municipal Manager when so decided by Council.
- 29) Implementation of amendments to relevant policies.
- 30) Legal action taken against Council as well as the processes of mitigation.
- 31) Review of the annual human resources report.
- 32) Productivity levels of personnel.
- 33) Any other function assigned by resolution of Council in its area of competence.
- 34) Risk Management

INFRASTRUCTURE DEVELOPMENT (ROADS AND STORM WATER, ELECTRICITY & PROJECT MANAGEMENT UNIT)

ROLE

The Committee is tasked with oversight pertaining to:

1. Civil Engineering
2. Operations and Maintenance
3. Electrical Engineering
4. Monitoring and Evaluation

5. Roads and Storm Water
6. Integrated and Consolidated Infrastructure Planning
7. Development Application
8. Development Incentives
9. Development Facilitation
10. PMU (Technical Support)

RESPONSIBILITIES

This Committee is responsible for the monitoring, evaluation and report on:

1. Implementation of amendments to relevant policies.
2. Enforcement of applicable by-laws.
3. Decisions taken by the Executive Mayor on behalf of Council, when Council is in recess.
4. Performance in terms of the SDBIP.
5. Productivity levels of personnel.
6. Utilization of Council resources.
7. Financial management and value for money.
8. Adherence to the Batho Pele principles.
9. Compliance with legislation, policies and procedures.
10. Sound management practices.
11. Oversee and report on the monitoring of the Service Level Agreements between the municipality and the service providers.
12. Any other function assigned by resolution of Council in its area of competence.

PUBLIC SAFETY, EMERGENCY SERVICES, PARKS, WASTE AND ENVIRONMENTAL MANAGEMENT SERVICES COMMITTEE

ROLE

The Committee is tasked with oversight of the following:

- 1) Safety and Security
- 2) Public Transportation

- 3) By-Laws Enforcement
- 4) Fire and Rescue services
- 5) Traffic Services
- 6) Licensing Services
- 7) Security Services (Internal)
- 8) Disaster Management (Agency service)
- 9) Public Facility and Personnel (Security)
- 10) Parks
- 11) Waste
- 12) Environmental Management

RESPONSIBILITIES

This Committee is responsible for the monitoring, evaluation and report on the:

- 1) Implementation of amendments to relevant policies.
- 2) Enforcement of by-laws.
- 3) Decisions taken by the Executive Mayor on behalf of Council, when Council is in recess.
- 4) Review of Traffic Safety Plan, Emergency Services Plan as well as the Public Transport and Health care plans.
- 5) Productivity levels of personnel.
- 6) Utilization of Council resources.
- 7) Financial management and value for money.
- 8) Adherence to Batho Pele principles.
- 9) Compliance with legislation.
- 10) Sound management practices.
- 11) Any other function assigned by resolution of Council in its area of competence.

HUMAN SETTLEMENT, RURAL DEVELOPMENT & LOCAL ECONOMIC DEVELOPMENT COMMITTEE

ROLE

The Committee is tasked with political oversight pertaining to the following:

- 1) Local Economic Development & Tourism.
- 2) Trade and Investment Promotion.
- 3) Informal Trading Management.
- 4) Smart City Concept.
- 5) SMME and Cooperatives Development.
- 6) Job Creation.
- 7) Tourism Development and Marketing.
- 8) Enterprise Development.
- 9) Skills Development.
- 10) Servicing of Twinning and Partnership Arrangements (Economic).
- 11) IGR Management
- 12) Community and Stakeholders Mobilization and Partnerships.
- 13) Development of Investment incentives.
- 14) (Duplication – See 12 above Regional Integration (SADC).
- 15) Ensure the realisation of African Renaissance and NEPAD objectives.
- 16) Strengthening of the South to South relations.
- 17) Facilitate the implementation of the Millennium Development goals.
- 18) Biodiversity and conservation.
- 19) Global warming and climate change.
- 20) Integrated Rural Development.
- 21) Land Reform and redistribution.
- 22) Agrarian Reform.
- 23) Integrated Human Settlement.

RESPONSIBILITIES

This Committee will be responsible for the monitoring, evaluation and report on:

- (1) Implementation of amendments to relevant policies.
- (2) Enforcement of by-laws.
- (3) Decisions taken by the Executive Mayor on behalf of Council, when Council is in recess.
- (4) Economic development strategy.
- (5) Tourism and trade strategy.
- (6) Environmental strategy.
- (7) Productivity levels of personnel.
- (8) Utilization of Council resources.
- (9) Financial management and value for money.
- (10) Adherence to the Batho Pele principles.
- (11) Compliance with legislation.
- (12) Sound management practices.
- (13) Any other function assigned by resolution of Council in its area of competence.

SPORT AND RECREATION COMMITTEE

ROLE

This Committee will oversee the development of:

- (1) Sport development
- (2) Community facilities
- (3) Arts and Culture
- (4) Libraries

RESPONSIBILITIES

This Committee will be responsible for the monitoring, evaluation and report on:

- (1) Implementation of amendments to relevant policies.
- (2) Enforcement of by-laws.

- (3) Decisions taken by the Executive Mayor on behalf of Council, when Council is in recess.
- (4) Regular review of all strategies with regards to each function.
- (5) Productivity levels of personnel.
- (6) Utilization of Council resources.
- (7) Financial management and value for money.
- (8) Adherence to Batho Pele principles.
- (9) Compliance with legislation.
- (10) Sound management practices.
- (11) Any other function assigned by resolution of Council in its area of competence.

CHAIRPERSONS COMMITTEE

ROLES

To monitor the meetings of all Section 79 Oversight Committees of Council.

RESPONSIBILITIES

To ensure that all Section 79 Oversight Committees meet regularly and to co-ordinate the submission of quarterly oversight reports by all the Section 79 Oversight Committees to Council.

WATER AND SANITATION COMMITTEE

ROLES

To monitor all activities around the supply of water to all communities within Mbombela.

RESPONSIBILITIES

This Committee will be responsible for the monitoring, evaluation and report on:

- (1) Implementation of amendments to relevant policies.
- (2) Enforcement of by-laws.
- (3) Decisions taken by the Executive Mayor on behalf of Council, when Council is in recess.
- (4) Regular review of all strategies with regards to each function.
- (5) Productivity levels of personnel.

- (6) Utilization of Council resources.
- (7) Financial management and value for money.
- (8) Adherence to Batho Pele principles.
- (9) Compliance with legislation.
- (10) Sound management practices.
- (11) Any other function assigned by resolution of Council in its area of competence

FUNCTIONING OF THE SECTION 79 OVERSIGHT COMMITTEES

All Section 79 Oversight Committees must be able to generate their own reports. This means that they will not be dependent on the Executive alone for reports.

The following will be applicable on all Section 79 Oversight Committees:

MEMBERSHIP AND CONSTITUTING OF FIRST MEETING

MEMBERSHIP

Only members of Mbombela Local Municipality may serve on Section 79 Oversight Committees.

Members of the Mayoral Committee cannot be members of any Section 79 Oversight Committee but can attend meetings as observers, if not called upon to submit information. It is the prerogative of Council to decide who will serve as members of Section 79 Oversight Committees, by way of a Council resolution.

CONSTITUTING OF FIRST MEETING

Every Section 79 Oversight Committee must be constituted by the honourable Speaker at its first meeting.

All members of Section 79 Oversight Committees must adhere to Council's new Standing Orders.

Every Section 79 Oversight Committee have the prerogative to decide on its own programme of meetings and compile its own agendas.

ACCESS TO THE MANAGEMENT INFORMATION CENTRE

Every member of a Section 79 Oversight Committee will have full access to the Management Information Centre (MIC).

HEARINGS

To gather information to fulfil its oversight duties, Section 79 Oversight Committees may conduct hearings.

It is the prerogative of the Chairperson of the relevant Oversight Committee, to summon any member of MAYCO or any official, to a meeting of the Committee. (Via the Office of the

Speaker.) If a member of MAYCO is summoned, it must be in writing and directed to the Executive Mayor.

The following information must be in the above-mentioned letter:

- 1) Date, time and venue of the Hearing
- 2) Purpose of the Hearing
- 3) List of specific information needed

If any official is summoned, it must be in writing and directed to the Municipal Manager with a copy to the relevant MMC. (Via the offices of the Speaker and Executive Mayor.)

The following information must be in the above-mentioned letter:

- 1) Date, time and venue of the Hearing.
- 2) Purpose of the Hearing.
- 3) List of specific information needed.

INSPECTIONS IN LOCO

To gather information to fulfil its oversight duties, Section 79 Oversight Committees may conduct on-site inspections of projects and may visit any Council building.

ATTENDANCE OF MAYCO/DEPARTMENTAL MEETINGS AS OBSERVERS

To gather information to fulfil its oversight duties, Section 79 Oversight Committees may attend MAYCO and departmental meetings as observers.

REPORTS FROM DEPARTMENTS

To gather information to fulfil its oversight duties, Section 79 Oversight Committees may request Administration to submit reports to them. (Via the Offices of the Speaker and Executive Mayor.) Such requests must be in writing and directed to the relevant MMC with a copy to the Municipal Manager.

The following minimum information must be included in the above-mentioned requests:

- 1) Reason for information needed.
- 2) Specific information needed.
- 3) Due date for the report to be submitted.

REPORTS FROM MEMBERS OF THE MAYORAL COMMITTEE

To gather information to fulfil its oversight duties, Section 79 Oversight Committees may request members of the Mayoral Committee to submit reports to them.

Such requests must be in writing and directed to the Executive Mayor. The following minimum information must be included in the above-mentioned requests:

1. Reason for information needed.
2. Specific information needed.
3. Due date for submission of report.

REPORTS FROM THE AUDIT COMMITTEE

To gather information to fulfil its oversight duties, Section 79 Oversight Committees may request the Audit Committee to submit reports to them.

Such requests must be in writing and directed to the Chair Person of the Audit Committee with copies to the Executive Mayor, relevant MMC and Municipal Manager.

REPORTS TO COUNCIL

All Section 79 Oversight Committees must at least on a quarterly basis, table reports to Council. These reports must be in writing and may cover any aspect of their responsibilities.

ADMINISTRATIVE SUPPORT

Administrative support must be rendered by the Secretariat of the Legislature.

This will inter-alia includes the following:

1. Typing of reports.
2. Compilation of agendas.
3. Recording of meetings/hearings.
4. Arranging of transport to conduct inspections.
5. Liaison with the Executive to get reports etc.

The secretaries of the MMC's can assist with abovementioned tasks.

SECTION 79 HOUSE/STANDING COMMITTEES

These committees will assist the Speaker and Chief Whip in fulfilling their duties.

The following section 79 House Committees are established:

- I. Public Participation/Petition Committee
- II. Party Whips Committee
- III. Programme Committee
- IV. Rules & Ethics Committee

Committee members must be appointed by Council after consultation with political parties. Committees should consist out of members of all political parties as represented in Council,

as far as possible. The Secretariat will provide secretarial support to all Section 79 Committees.



Committees' Attendance

ATTENDANCE REGISTER:-STRATEGIC SUPPORT SECTION 79 OVERSIGHT COMMITTEE FROM 1 OCTOBER 2016 UNTIL 30 JUNE 2017

COUNCILLORS	1 ST ORDINARY MEETING 12 OCTOBER 2016	1 ST ORDINARY MEETING 25 JANUARY 2017	2 ND ORDINARY MEETING 28 MARCH 2017	1 ST SPECIAL MEETING 25 APRIL 2017	2 ND SPECIAL MEETING 22 JUNE 2017	% ATTENDANCE
T M Charles (Chairperson)	P	P	P	P	P	100%
N M Maganga	A	A	P	P	P	60%
M Mbewe	P	P	P	P	P	100%
A S Mthunywa	P	P	P	P	P	100%
T K Nyathi	P	P	P	P	P	100%
L M Sikonela	P	P	P	P	A	80%
S van der Merwe	P	P	P	P	P	100%

P	=	PRESENT
A	=	APOLOGY
AWOL	=	ABSENT WITHOUT LEAVE
-	=	NOT A MEMBER YET/ANYMORE

**ATTENDANCE REGISTER:-REGIONAL CENTRE CO-ORDINATION
SECTION 79 OVERSIGHT COMMITTEE FROM 1 OCTOBER 2016 - 30 JUNE 2017**

COUNCILLOR	1 ST ORDINARY MEETING 11 OCTOBER 2016	1 ST ORDINARY MEETING 15 FEBRUARY 2017	1 ST SPECIAL MEETING 28 MARCH 2017	2 ND ORDINARY MEETING 10 MAY 2017	% ATTENDANCE
D B Mkhatshwa (Chairperson)	P	P	P	P	100%
H B Fakude	P	P	A	P	75%
M E Jacobs	P	A	P	P	75%
S T Masha	P	P	P	P	100%
J J Mkhabela	P	P	A	P	75%
D B Nkosi	P	P	P	P	100%
E N Sibambo	P	P	P	P	100%
L C Sibiya	A	P	P	P	75%

P	=	PRESENT
A	=	APOLOGY
AWOL	=	ABSENT WITHOUT LEAVE
-	=	NOT A MEMBER YET/ANYMORE

ATTENDANCE REGISTER – PUBLIC PARTICIPATION AND PETITION

COMMITTEE (OCTOBER 2016 UNTIL DECEMBER 2017)

COUNCILLOR	1 ST ORDINARY MEETING 30 MARCH 2017	% ATTENDANCE
M J Msibi (Chairperson)	A	0%
T M Charles	P	100%
E G Janse van Rensburg	P	100%
T G Mabuza	P	100%
J M Mazibane (Acting Chairperson)	P	100%
P V Mkhatshwa	P	100%
K M Mkhonto	P	100%
G M Nkambule	p	100%
W P Sibya	P	100%

P	=	PRESENT
A	=	APOLOGY
AWOL	=	ABSENT WITHOUT LEAVE
-	=	NOT A MEMBER YET/ANYMORE

ATTENDANCE REGISTER:-PUBLIC SAFETY SECTION 79 OVERSIGHT COMMITTEE FROM - OCTOBER 2016 TO 30 JUNE 2017

COUNCILLOR	1 ST ORDINARY MEETING 11 OCTOBER 2016	1 ST SPECIAL MEETING 2 NOVEMBER 2016	1 ST ORDINARY MEETING 8 FEBRUARY 2017	1 ST SPECIAL MEETING 14 MARCH 2017	2 ND ORDINARY MEETING 06 APRIL 2017	2 ND SPECIAL MEETING 16 MAY 2017	% ATTENDANCE
L T Mlombo (Chairperson)	P	P	P	P	P	P	100%
A E Fankomo	P	P	P	P	P	P	100%
T Marshall	P	P	P	P	A	P	83%
M S Mashele	P	A	P	A	P	P	67%
M Mbewe	A	A	P	P	P	P	67%
R Q Seepsoop	P	P	P	A	P	P	83%
M C Nkosi	P	P	P	P	P	P	100%

P	=	PRESENT
A	=	APOLOGY
AWOL	=	ABSENT WITHOUT LEAVE
-	=	NOT A MEMBER YET/ANYMORE

ATTENDANCE REGISTER – CITY PLANNING AND RURAL DEVELOPMENT SECTION 79 OVERSIGHT COMMITTEE-AUGUST 2016 TO JUNE 2017

NAME	1 ST Ordinary Meeting 6 October 2016	1 ST Ordinary Meeting 16 March 2017	2 ND Ordinary Meeting 11 April 2017	1 ST Special Meeting 9 May 2017	ATTENDANCE PERCENTAGE
Khoza J J (Chairperson)	P	P	P	P	100%
Banda S M	P	P	P	P	100%
Janse van Rensburg E G	P	P	P	P	100%
Makushe S E	P	P	P	P	100%
Mbuyane S E	P	P	P	P	100%
Ngobe D D T	P	P	A	P	75%
Nkambule G M	P	P	A	P	75%
Shongwe D E	P	P	P	P	100%

P = Present

A = Apology

AWOL = Absent without leave

- = Not a member yet/any more

ATTENDANCE REGISTER – CORPORATE SERVICES SECTION 79

OVERSIGHT COMMITTEE - AUGUST 2016 TO JUNE 2017

Name	1 ST Ordinary Meeting 12 October 2016	1 ST Ordinary Meeting 2 February 2017	1 ST SPECIAL Meeting 16 March 2017	2 ND SPECIAL Meeting 18 May 2017	ATTENDANCE PERCENTAGE
Mazibane J M (Chairperson)	P	P	P	P	100%
Bulunga T M	A	AWOL	P	AWOL	25%
Mamba M G	P	AWOL	A	-	33%
Mhawule M E	P	P	P	P	100%
Nkambule G M	A	A	P	P	50%
Oliver K A	P	P	P	P	100%
Sibiya W P	P	P	P	P	100%

P = Present
 A = Apology
 AWOL = Absent without leave
 - = Not a member yet/any more

**ATTENDANCE REGISTER – ENERGY SECTION 79 OVERSIGHT
COMMITTEE - AUGUST 2016 TO JUNE 2017**

Name	1 ST Ordinary Meeting 13 October 2016	2 ND Ordinary Meeting 1 November 2016	1 ST Ordinary Meeting 16 February 2017	2 ND Ordinary Meeting 13 April 2017	1 ST Special Meeting 23 May 2017	ATTENDANCE PERCENTAGE
Mabuza T G (Chairperson)	P	P	P	P	P	100%
Anthony G C B	P	P	P	P	P	100%
Manzini E K	P	P	P	P	P	100%
Mhlanga (Mpumelelo) M C	P	P	P	P	A	80%
Nkhoma B P	P	P	P	P	A	80%
Shongwe L M	P	P	A	P	P	80%
Sibya W P	P	P	P	P	P	100%

P	=	Present
A	=	Apology
AWOL	=	Absent without leave
-	=	Not a member yet/any more

ATTENDANCE REGISTER – PUBLIC WORKS AND TRANSPORT
SECTION 79 OVERSIGHT COMMITTEE-AUGUST 2016 TO JUNE 2017

Name	1 st Ordinary Meeting 4 October 2016	1 st Ordinary Meeting 9 March 2017	1 ST Special Meeting 16 May 2017	ATTENDANCE PERCENTAGE
Ngwenyama D D (Chairperson)	P	P	P	100%
Celliers H P	P	P	P	100%
Lukhele N L	P	P	P	100%
Maseko L	P	P	A	67%
Masuku R S	P	P	A	67%
Minnaar P C W	P	P	P	100%
Mlimi M M	A	A	P	33%
Nyalungu B A	P	A	P	67%

P	=	Present
A	=	Apology
AWOL	=	Absent without leave
-	=	Not a member yet/any more

ATTENDANCE REGISTER – WATER AND SANITATION SECTION 79

OVERSIGHT COMMITTEE - AUGUST 2016 TO JUNE 2017

name	1 ST Ordinary Meeting 4 October 2016	1 ST Ordinary Meeting 1 February 2017	1 ST Special Meeting 23 March 2017	2 ND Special Meeting 5 April 2017	3 RD Special Meeting 11 May 2017	4 TH Special Meeting 6 June 2017	ATTENDANCE PERCENTAGE
Mokoena S I (Chairperson)	P	P	P	P	P	P	100%
Grovè-Morgan T M J	P	P	P	P	P	P	100%
Mbowane P P	P	P	A	P	P	P	83%
Ndhlovu K G	P	P	P	P	P	A	83%
Nkosi F S	P	P	P	P	P	P	100%
Nyundu B A	A	P	P	P	P	A	67%
Oliver K A	P	P	P	A	P	P	83%
Sibiya W P	P	P	P	P	A	P	83%
Thabethe A	P	P	P	P	P	P	100%

P = Present
 A = Apology
 AWOL = Absent without leave
 - = Not a member yet/any more

ATTENDANCE REGISTER:-COMMUNITY SERVICES SECTION 79
OVERSIGHT COMMITTEE - FOR OCTOBER 2016 UNTIL JUNE 2017

COUNCILLOR	1 ST ORDINARY MEETING 6 OCTOBER 2016	1 ST ORDINARY MEETING 09 FEBRUARY 2017	2 ND ORDINARY MEETING 04 APRIL 2017	1 ST SPECIAL MEETING 20 APRIL 2017	% ATTENDANCE
M J Hlophe (Chairperson)	P	P	P	P	100%
L B Bhembe	P	P	P	P	100%
M J Malomane	P	P	P	P	100%
R F Mgwenya	P	P	P	P	100%
J V Mhlaba	P	P	P	P	100%
L Ngwenyama	P	P	P	P	100%
H L Shongwe	P	P	P	A	75%
L M Shongwe	P	A	P	P	75%

P	=	PRESENT
A	=	APOLOGY
AWOL	=	ABSENT WITHOUT LEAVE
-	=	NOT A MEMBER YET/ANYMORE

ATTENDANCE REGISTER FOR FINANCIAL MANAGEMENT SECTION 79 OVERSIGHT COMMITTEE: 2016/2017 FINANCIAL YEAR

NAME	1 st Ordinary meeting 13 October 2016	2 nd Ordinary meeting 3 November 2016	1 st Ordinary meeting 7 March 2017	1 ST Special meeting 17 May 2017	% ATTENDANCE
Mutobvu E M (Chairperson)	P	P	P	P	100%
Celliers H P	P	P	P	P	100%
Grovè-Morgan T M J	P	P	P	A	75%
Mokoena N A	P	P	P	P	100%
Nkosi D J	P	P	P	P	100%
Nkosi F S	P	P	P	A	75%
Sebashe E M	P	P	P	P	100%
Sibozza L E	P	P	A	P	75%

P	=	Present
A	=	Apology
AWOL	=	Absent without leave
-	=	Not a member yet/any more

ATTENDANCE REGISTER FOR MPAC SECTION 79 OVERSIGHT COMMITTEE: SEPTEMBER 2016 TO JUNE 2017

NAME													% ATTENDANCE	
	1 st Special meeting 18 October 2016	1 st Ordinary meeting	1 st Special meeting 26 January 2017	2 nd Special meeting 14 Feb 2017	3 rd Special meeting 7 March 2017	4 th Special (Continuation) 22 March 2017	5 th Special meeting 28 March 2017	6 th Special meeting 29 March 2017	7 th Special meeting 11 April 2017	8 th Special meeting 9 May 2017	9 th Special meeting 12 May 2017	10 th Special meeting	11 th Special meeting	12 th Special meeting
Mkhonto K M (Chairperson)	P	P	P	P	P	P	P	P	P	P	P	P	P	100 %
Maseko L	P	P	P	P	P	P	P	P	P	P	P	P	P	100 %
Mashaba J B	P	P	A	A	P	P	P	P	A	P	P	A	A	67 %
Mhlanga M C (Calvin)	P	P	P	P	P	P	P	P	P	A	A	A	P	80 %
Pila T M	P	P	P	P	P	P	P	P	P	P	P	P	P	100 %
Schorman n S R	P	P	P	P	P	P	P	P	P	P	P	P	P	100 %
Sebashe E M	P	P	A	P	P	P	P	P	A	A	P	P	P	80 %

P = Present
 A = Apology
 AWOL = Absent without leave
 - = Not a member yet/any more

ATTENDANCE REGISTER FOR THE CHAIRPERSONS COMMITTEE: 2016/2017 FINANCIAL YEAR

NAME	1 st Ordinary meeting 12 April 2017	% ATTENDANCE
Mazibane J M (Chair of Chairs)	P	100%
Charles T M	A	0%
Hlophe M J	P	100%
Khoza J J	P	100%
Mabuza T G	A	0%
Mkhatshwa D B	AWOL	0%
Mkhonto K M	P	100%
Mlombo L T	P	100%
Mokoena S I	P	100%
Mutobvu E M	P	100%
Ngwenyama D D	P	100%

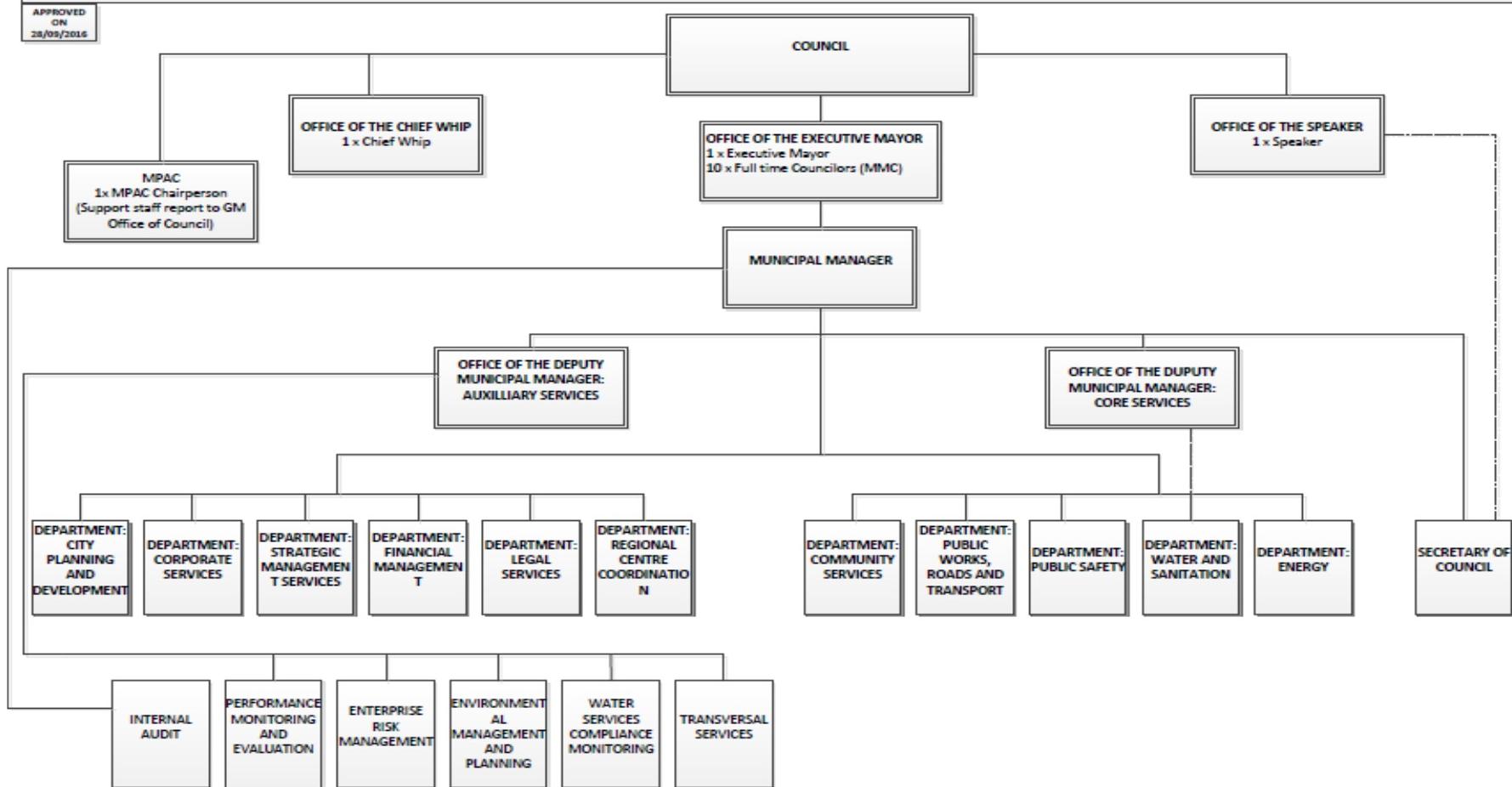
P = Present
 A = Apology
 AWOL = Absent without leave
 - = Not a member yet/any more

APPENDIX C:

Organisational Structure



APPROVED ORGANISATIONAL STRUCTURE FOR THE CITY OF MBOMBELA



Page 1

APPENDIX D:

Functions of the Municipality



ROLE OF LOCAL GOVERNMENT

A municipality does not function in isolation. In terms of the Constitution, it is the third tier of government and forms part of the government apparatus to govern the country and render services to the community.

Because local government is the nearest to the people, it is in many instances the executing arm of government. Services that directly affect the life of people are delivered on this level. Council accept that its activities must be coordinated with actions of the provincial and national government.

OBJECTIVES OF LOCAL GOVERNMENT

Before any matters of delegation can be entertained, the statutory objectives of the municipality should first be clarified. In terms of section 152 (1) of the Constitution of the Republic of South Africa (Act 108 of 1996) municipalities have the following objectives with regard to service delivery of government related services:

- (a) to provide democratic and accountable government for local communities;
- (b) to ensure the provision of services to communities in a sustainable manner;
- (c) to promote social and economic development;
- (d) to promote a safe and healthy environment; and
- (e) to encourage the involvement of communities and community organizations in the matters of local government.

FUNCTIONS OF LOCAL GOVERNMENT

Before any matters of delegation can be entertained, the statutory functions of the municipality should first be clarified.

In terms of schedule 4 (b) and 5 (b) of the Constitution, municipalities are mandated to fulfil the following functions:

SCHEDULE 4 (B) OF THE CONSTITUTION

- Air pollution

- Building regulations
- Childcare facilities
- Electricity and gas reticulation
- Firefighting services
- Local tourism
- Municipal airports
- Municipal planning
- Municipal health services
- Municipal public transport
- Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law
- Storm water management systems in built up areas
- Trading regulations
- Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems.

SCHEDULE 5 (B) OF THE CONSTITUTION

- Billboards and display of advertisement
- Cemeteries, funeral parlors and crematoria
- Cleansing
- Control of public nuisances
- Control of undertakings that sell liquor to the public
- Facilities for accommodation, care and burial of animals
- Fencing and fences
- Licensing of dogs
- Licensing and control of undertakings that sell food to the public
- Local amenities
- Local sport facilities
- Markets
- Municipal parks and recreation
- Municipal roads

- Noise pollution
- Pounds
- Public places
- Refuse removal, refuse dumps and solid waste disposal
- Street trading
- Street lighting
- Traffic and parking

As there are more than one type of local government, Council should take note of the role and functions of the District Municipality as well. In the case of a category B municipality such as Mbombela Local Municipality, the Local Government Municipal Structures Act, (Act 117 Of 1998) in section 84 (1), prescribe that the following functions resort under the district municipality: “*A district municipality has the following functions and powers:*

- (a) *Integrated development planning for the district municipality as a whole including a framework for integrated development plans for the local municipalities within the area of the district municipality, taking into account the integrated development plans of those local municipalities.*
- (b) *Bulk supply of water that affects a significant proportion of municipalities in the district.*
- (c) *Bulk supply of electricity that affects a significant proportion of municipalities in the district.*
- (d) *Bulk sewage purification works and main sewage disposal that affects a significant proportion of municipalities in the district.*
- (e) *Solid waste disposal sites serving the area of the district municipality as a whole.*
- (f) *Municipal roads which form an integral part of a road transport system for the area of the district municipality as a whole.*
- (g) *Regulation of passenger transport services.*
- (h) *Municipal airports serving the area of the district municipality as a whole.*
- (i) *Municipal health services serving the area of the district municipality as a whole.*
- (l) *Fire fighting services serving the area of the district municipality as a whole.*

- (k) *The establishment's conduct and control of fresh produce markets and abattoirs serving the area of the district municipality as a whole.*
- (l) *The establishment's conduct and control of cemeteries and crematoria serving the district as a whole.*
- (m) *Promotion of local tourism for the area of the district municipality.*
- (n) *Municipal public works relating to any of the above functions or any other functions assigned to the district municipality.*
- (o) *The receipt, allocation and if applicable, the distribution of grants made to the district municipality.*
- (p) *The imposition and collection of taxes, levies and duties as related to the above functions or as may be assigned to the district municipality in terms of national legislation.”*

In terms of the Disaster Management act, the function of disaster management is the mandate of the district municipality. Council can however get permission from the relevant district council, to take responsibility for this function.

The MEC for Local Government and Housing may in terms of section 85 (1) of the act, adjust the functions between a local and district municipality within a policy framework. Before Council can take responsibility for above-mentioned functions, it is imperative that the provincial MEC for Local Government give approval for the adjustment of functions.

For the purposes of this document, it is accepted that Council complies with above-mentioned legislation because Council is currently taking responsibility for such functions.

APPENDIX E: Ward Reporting



WARD REPORTING

1. ESTABLISHMENT OF WARD COMMITTEES IN THE CITY OF MBOMBELA

Subsequent to the successful amalgamation of the former Umjindi and Mbombela Local Municipalities, the MEC for Co-operative Governance and Traditional Affairs in Mpumalanga Province, in terms of the Local Government: Municipal Structures Act 117 of 1998 established the City of Mbombela as a category B local municipality with a **mayoral executive system combined with a ward participatory**.

The New municipality is constituted of 90 Councillors as follows:

PR Councillors = 45 and Ward Councillors = 45

The City of Mbombela **has been established with 4 Regional Service Centres**:

- **Central Region-** covering satellite office at the Groove, KaNyamazane, Elandshoek, and Mbombela Head Office (wards 12,14,15,16,17,18,19,20,21,22,23,24,26,29,02,40) = 16 wards
- **Northern Region-** covering the satellite offices of Hazyview, Northern part of the area,(wards 01,03,05,06,07,08,09,25,39) = 09 wards
- **Eastern Region-** covering the satellite offices at White River, KaBokweni and Malekutu (wards 10,11,30,31,32,33,34,35,36,37,38,04) = 12 wards
- **Southern Region-** covering the satellite offices at Barberton, Matsulu and Louw's Creek farm areas.(Wards 13,27,28,41,42,43,44,45) = 08 wards

2. FACILITATION PUBLIC PARTICIPATION IN PREPARATION OF INTEGRATED DEVELOPMENT AND BUDGET PROCESSES ON IN TERMS OF CHAPTER 4 OF THE LOCAL GOVERNMENT: MUNICIPAL SYSTEMS ACT, ACT 32 OF 2000

The office of Council embarked on an intensive public participation with regard to preparation of the 2017/18 Integrated Development Planning and the Budget in terms of the Local Government MSA. The community consultation took place in the form of the ward based community consultative model during the period April- May 2017. Community meetings took place in all 45 wards and the various community based organisations, Rate Payers Associations and Traditional Leaders were engaged in the process.

3. INAUGURATION OF WARD COMMITTEE MEMBERS

The inauguration of the new ward committee members for the City of Mbombela took place on 25-26 April 2017 at Nutting House in Mbombela and all ward committee members were introduced to their roles and responsibilities during their term of office.

4. SERVICE DELIVERY PROTEST

There were no violent service delivery protest could be recorded during the financial year 2017/18.

5. WARD WAR ROOM STRUCTURES ESTABLISHMENT AND FUNCTIONALITY

The Integrated Service Delivery Model is an innovative and new approach in service delivery. The model involves all stakeholders within a community working together to improve service delivery and key to this model is the Ward War Room regarded as a service delivery engine at ward level. This model was adopted by the Mpumalanga Executive Council on 14 February 2015 and launched on 13 August 2015 in Bushbuckridge. Subsequent to the launch of the model, the same model was institutionalized in Mbombela Local Municipality with the establishment of Ward War Room structures in the various wards.

Ward War Room Structures in Mbombela were launched under the auspices of the Office of the Executive Mayor at the municipal level, however, remain non-functional due to inadequate administrative support. Due to financial constraints, Council could not provide additional resources for the programme.

6. PROPOSED INTERVENTION TO IMPROVE PUBLIC PARTICIPATION

- Consistence administrative support to ward committees,
- Monitoring and evaluation of the ward committee operational plans.
- Permanent engagement meeting/workshop for ward committees, CWD's and Traditional Leaders to improve the working relationship,
- Review of the staff complement in the Office of Council and in particular to strengthen the Department of Public and Stakeholder Participation & Petitions.

7. WARD COMMITTEE FUNCTIONALITY FOR THE PERIOD AUGUST 2016 - JUNE 2017

The election of 43 ward committees took place during the period November 2016 – January 2017 in line with the term of Office of Council following the 2016 Local Government Elections. The process pertaining to the establishment of ward committee is a lengthy process in view of stringent requirements for compliance with the ward committee establishment framework and guidelines determined for this purpose.

A report pertaining to the adoption of the elected ward committee members was submitted to the Special Council on 28 February 2017 under Item A(5).

In terms of the above mentioned Council Resolution, the payment of the out of pocket expense to the ward committees is subjected to the proof of ward committee functionality in accordance with the functional indicators as per the determination of the Out of Pocket Expense published in terms of Sect 73 (5) of the Local Government: MSA, Act 117 pf 1998 under Government Gazette Number 32627 dated, 08 October 2008,

A total of 43 ward committees were established in the City of Mbombela by the close of the 2017/18 financial year.

Below is a report depicting the functional status of the ward committees for the period under review:

WARD	WARD COUNCILLOR	WARD COMMITTEE MEETING		COMMUNITY MEETINGS		STATUS OF THE WARD COMMITTEE	WARD OPERATIONAL PLAN IMPLEMENTED / NOT IMPLEMENTED
		Planned Output	Actual Output	Planned Output	Actual Output		
01	Fankomo AE	03	02	01	02	Functional	Implemented
02	Msibi MJ	03	00	01	01	Non functional	Not implemented
03	Nkosi DJ	03	01	01	02	Functional	Implemented
04	Ngwenyama DD	03	02	01	03	<ul style="list-style-type: none"> ○ Functional ○ Meeting reports, submitted 	Implemented
05	Malumane MJ	03	02	01	02	Functional	Implemented
06	06 Fakude HB	03	02	01	02	<ul style="list-style-type: none"> ○ Functional ○ Meetings reports submitted 	Implemented
07	07 Banda SM	03	03	01	04	<ul style="list-style-type: none"> ○ Functional ○ Meeting reports, submitted 	Implemented
08	Mbuyane SE	03	03	01	03	<ul style="list-style-type: none"> ○ Functional ○ Meetings reports submitted 	Implemented
09	Sebashe EM	03	02	01	03	<ul style="list-style-type: none"> ○ Functional ○ Meeting reports submitted 	Implemented

WARD	WARD COUNCILLOR	WARD COMMITTEE MEETING		COMMUNITY MEETINGS		STATUS OF THE WARD COMMITTEE	WARD OPERATIONAL PLAN IMPLEMENTED / NOT IMPLEMENTED
		Planned Output	Actual Output	Planned Output	Actual Output		
10	Ngobe D.D.T	03	00	01	01	<ul style="list-style-type: none"> <input type="radio"/> None functional <input type="radio"/> Meeting submitted 	Not implemented
11	Mutobvu EM	03	00	01	01	Non functional	Not implemented
12	Nkhoma BP	03	01	01	01	<ul style="list-style-type: none"> <input type="radio"/> Functional <input type="radio"/> Meeting reports submitted 	Implemented
13	Thabethe A	03	00	01	02	Functional	Implemented
14	Mkhonto KM	03	06	01	02	<ul style="list-style-type: none"> <input type="radio"/> Functional <input type="radio"/> Meeting reports submitted 	Implemented
15	Marshall T	03	01	01	02	<ul style="list-style-type: none"> <input type="radio"/> Functional <input type="radio"/> Meeting reports submitted 	Implemented
16	Oliver KA	03	00	01	01	Non functional	Not implemented
17	Van der Merwe S	03	00	01	00	Non functional	Not implemented
18	Mashaba JB	03	01	01	01	<ul style="list-style-type: none"> <input type="radio"/> Functional <input type="radio"/> Meeting reports submitted 	Implemented

WARD	WARD COUNCILLOR	WARD COMMITTEE MEETING		COMMUNITY MEETINGS		STATUS OF THE WARD COMMITTEE	WARD OPERATIONAL PLAN IMPLEMENTED / NOT IMPLEMENTED
		Planned Output	Actual Output	Planned Output	Actual Output		
19	Mkhatshwa DB	03	00	01	01	Non functional	Not implemented
20	Sibya LC	03	01	01	01	<ul style="list-style-type: none"> ○ Functional ○ Meeting reports submitted 	Implemented
21	Mkoena NA	03	00	01	01	Non functional	Not implemented
22	Pila TM	03	00	01	01	non functional	Not implemented
23	Mhaule ME	03	00	01	01	non functional	Not implemented
24	Lukhele NL	03	00	01	02	Functional	Implemented
25	Mhlanga MC	03	02	01	01	Functional	Implemented
26	Bulunga TM	03	00	01	01	Ward committee not established by close of 2017/18 financial year.	Implemented
27	Nkosi DB	03	00	01	02	<ul style="list-style-type: none"> ○ Functional ○ Meetings reports submitted 	Implemented
28	Masuku SR	03	01	01	01	Non functional	Not implemented

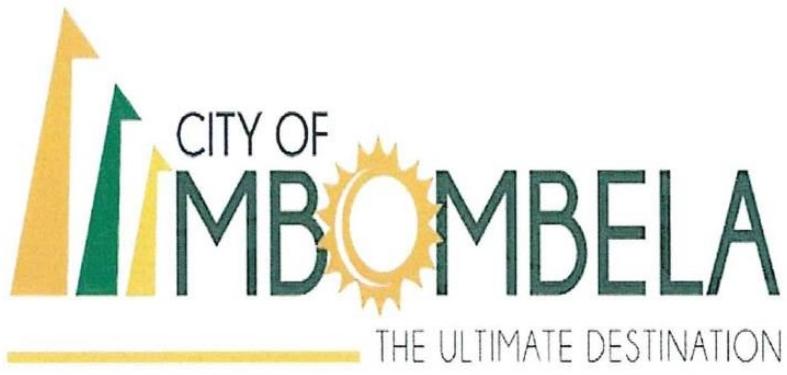
WARD	WARD COUNCILLOR	WARD COMMITTEE MEETING		COMMUNITY MEETINGS		STATUS OF THE WARD COMMITTEE	WARD OPERATIONAL PLAN IMPLEMENTED / NOT IMPLEMENTED
		Planned Output	Actual Output	Planned Output	Actual Output		
29	Nyathi TK	03	00	01	01	Non functional	Not implemented
30	Grove-Morgam TMJ	03	02	01	02	<ul style="list-style-type: none"> o Functional o Meeting reports submitted 	Implemented
31	Nyalunga BB	03	00	01	02	<ul style="list-style-type: none"> o Functional o Meetings reports submitted 	Implemented
32	Ndhlovu KG	03	00	01	00	Non functional	Not implemented
33	Manzini EK	03	00	01	00	Non functional	Not implemented
34	Mgwenya RF	03	02	01	02	<ul style="list-style-type: none"> o Functional o Meeting reports submitted 	Implemented
35	Molemo RQ	03	00	01	03	<ul style="list-style-type: none"> o Functional o Meeting reports submitted 	Implemented
36	Khoza JJ	03	01	01	01	<ul style="list-style-type: none"> o Functional o Meeting reports submitted 	Implemented
37	Maganga NM	03	03	01	02	<ul style="list-style-type: none"> o Functional o Meeting reports submitted 	Implemented

WARD	WARD COUNCILLOR	WARD COMMITTEE MEETING		COMMUNITY MEETINGS		STATUS OF THE WARD COMMITTEE	WARD OPERATIONAL PLAN IMPLEMENTED / NOT IMPLEMENTED
		Planned Output	Actual Output	Planned Output	Actual Output		
38	Masha ST	03	00	01	01	Non functional	Not Implemented
39	Mokoena SI	03	01	01	06	<ul style="list-style-type: none"> ○ Functional ○ Meeting attendance registers submitted 	Implemented
40	Sikonela LM	03	00	01	0	Non functional	Not implemented
41	Bhembe LM	03	00	01	01	Non functional	Not implemented
42	Nkosi MC	03	00	01	01	Non functional	Not implemented
43	Shongwe HL	03	00	01	01	Non functional	Not implemented
44	Mkhabela JJ	03	00	01	01	Non functional	Not implemented
45	Vacant					The ward councillor resigned hampering the process of the establishment of the ward committee in ward 45 and bi-election scheduled for 14 June 2017	

APPENDIX F:

Audit Committee Report





OVERSIGHT REPORT
FOR THE 2016/2017 FINANCIAL
YEAR

AUDIT COMMITTEE REPORT TO COUNCIL

Oversight report For the Financial Year Ended 30 June 2017

GOOD GOVERNANCE: REPORT ON ACTIVITIES OF THE AUDIT COMMITTEE FOR THE 2016/17 FINACIAL YEAR

1. PURPOSE

The primary purpose of the report is to submit to Council, through the office of the Municipal Manager a high level account of the Audit committee's oversight role during this 2016/17 financial year reporting cycle.

Based on the reports tabled before the Committee, the Committee will express its opinion on matters as stated in Section 166 (2) of the Municipal Finance Management Act, No 56 of 2003.

2. BACKGROUND AND INTRODUCTION

The Audit Committee ('AC') is constituted as a statutory committee of the Municipality in terms of statutory duties in terms of the provisions of section 166 of the Municipal Finance Management Act (No 56 of 2003), and a Committee of the Council in respect of all other duties assigned to it by the Council.

To fulfil its legal mandate, the Audit Committee operates in terms of an Audit Committee Charter which derives its role from section 166(1) of the MFMA, entrusting the Committee with the responsibility to advise and provide assurance and consulting services to Council, the Executive Mayor, political-office bearers and the Municipal Manager, on matters relating to:

1. *Functions of the Internal Audit Unit*
2. *Internal Control Environment*
3. *Internal financial control and internal audits*
4. *Risk management*
5. *Accounting policies*
6. *The adequacy, reliability and accuracy of financial reporting and information*
7. *Performance management*
8. *Effective governance*
9. *Compliance with the Municipal Finance Management act as well as the annual Division of Revenue Act and applicable National Treasury Circulars*
10. *Applicable legislation and Regulations*
11. *Performance evaluation*
12. *Any other issues referred to it by Council and the Municipal Manager*

13. Respond to Council on any issues raised by the Auditor-General in the audit report
14. Carry out any investigation into the financial affairs of the municipality on request of Council, the Municipal Public Accounts Committee and the Municipal Manager
15. Auditing of performance management as per Council resolution A(14) dated 25 November 2002 in terms of section 166(1) (5) of the MFMA and the Municipal Planning and Performance Management Regulations, which states:
Section 14 (1) (b) and (4) of the Local Government: Municipal Planning and Performance Management Regulations (R 796; dated 24 August 2001) which is:
 - 15.1. To advise Council on the functionality of the performance management system and
 - 15.2. To advise Council whether the performance system complies with the Act.
 - 15.3. To advise Council on the extent to which the municipality's performance measures are reliable in measuring performance.
16. In terms of the auditing of systems, the Committee will advise Council on the standard of the financial, procurement and administrative systems in Council as well as making recommendations with regards to perceived shortcomings.
17. The Office of the Auditor-General requires the Committee to ensure that the Internal Audit Unit performs its duties effectively and efficiently.
18. The Committee will therefore advise Council on the standard of service pertaining to the Internal Audit Unit.

2.1 External Member Composition, Qualifications and Meeting Attendance:

Section 166(4) (a) of the MFMA provides that "an audit committee must consist of at least three persons with appropriate experience, of whom the majority may not be in the employ of the municipality.

Audit Committee consists of the following four (4) External members:

- Mrs T Mjaji-Mbatha CA(SA)
- Mrs P Mangoma (**Resigned 26/09/2017**)
- Ms L Ngwenya
- Mr S Ndukuya

Members of the Audit Committee are all independent and have the required qualifications, skills and knowledge, which includes auditing, business management, risk management, accounting and financial management as indicated below:

Member Name	Thembelelile Mbatha	Lindiwe Ngwenya	Simon Ndukuya	Princess Mangoma
Role	Chairperson	Ordinary Member	Ordinary Member	Ordinary Member
Qualifications	Qualified Chartered Accountant – South Africa (CA-SA) Masters of Business Leadership Honours Bachelor of Accounting Science Bachelor of Accounting Science Completed articles with KPMG	Honours Bachelor of Accounting Science – Hons BCompt B.Com Degree Currently studying CTA level 2 with University of South Africa Completed 3 year's articles with the office of the Auditor General Admitted by SAICA as an Associate General Accountant More than 10 years' experience in Accounting, Risk Management and Auditing	Master's in Business Administration Bachelor of Industrial Relations Bachelor of Administration Over 23 years in Business Management, Planning, Client Co-ordination and Engagement, Account Management as well as Leadership. Experience in Municipal Governance and Management.	Honours Bachelor of Science Bachelor of Accounting Science Currently studying Masters of Philosophy in Accounting Science, CIA Part 3 and Certified Information Systems Auditor Obtained articles at Ernst & Young Certified Internal Audit (CIA) Part 1, 2 and 4 More than 14 year of experience in External Auditing, Internal Auditing, IT Auditing, Risk Management, Compliance and Finance.
Number of Ordinary meetings attended (5)	5	4	5	3
Number of Special Meetings attended (2)	2	2	2	1
Number of Council Meetings Attended	1	1	1	1

Audit Committee had seven (7) total meetings for the 2016/2017 financial year. Five (5) of them were ordinary meetings and two (2) special meetings.

This report is tabled against the backdrop of mutual growth to the benefit of the citizens of Mbombela. It is trusted that the opinion of the Audit Committee will assist the municipality in its endeavours to render affordable and sustainable municipal services to the community

3. REPORTS

Based on the reports tabled before the Committee, the Committee will express its opinion on matters as stated in Section 166 (2) of the Municipal Finance Management Act, No 56 of 2003.

Council adopted in its Service Delivery and Budget Implementation Plan for the 2016.17(SDBIP) Financial year, the following thirteen (13) key priority areas. The role of the Audit Committee is to express its opinion on Council performance, compliance with Corporate Governance imperatives and most importantly if set objectives in terms of the SDBIP have been achieved within the 2016/2017 Financial Year.

A graphical snapshot at figure 1&2 below indicates that Council's general performance for the 2016/2017 financial year based on its set target was 72.5%. A performance culture is slowly getting into the fibre of Council. Targets reached are to be measured against the following thirteen key priority areas adopted by Council:

-
- Water supply
 - Road infrastructure development and storm water
 - Electricity supply and management
 - Integrated human settlement
 - Good governance and public participation
 - Sanitation/sewerage
 - Community development
 - Rural development
 - Economic development
 - Waste and environmental management
 - Financial management and viability
 - Public transport
 - Revenue Enhancement
 - 2010 legacy

3.1 General Performance

Of the projects listed above, the following are infrastructure developmental focused;

- Water supply
- Road infrastructure development and storm water
- Electricity supply and management

- Integrated human settlement
- Sanitation/sewerage
- Rural development
- Economic development
- Waste and environmental management
- Public transport

The above focus areas could be linked to the following line function Departments: Public Works &Transport, Water and Sanitation, Energy, City Planning and partially Community Services. Council's performance in these almost nine(9) infrastructure related targets may be termed the mantra focus knockout criteria through which Council will be judged. These are public visible, tangible deliverables and failure to make substantial progress in the nine areas mentioned above, which Mbombela City citizens can see, feel and touch will invalidate whatever efforts Council makes towards what one could term "***internal or Institutional***" improvements in the areas of administration and support.

Figure: 1 below, reveals that of these key infrastructure related targets(Public Works Transport, Water &Sanitation, Energy &City Planning) only 60.8% of the targets were achieved this excludes Community Services.

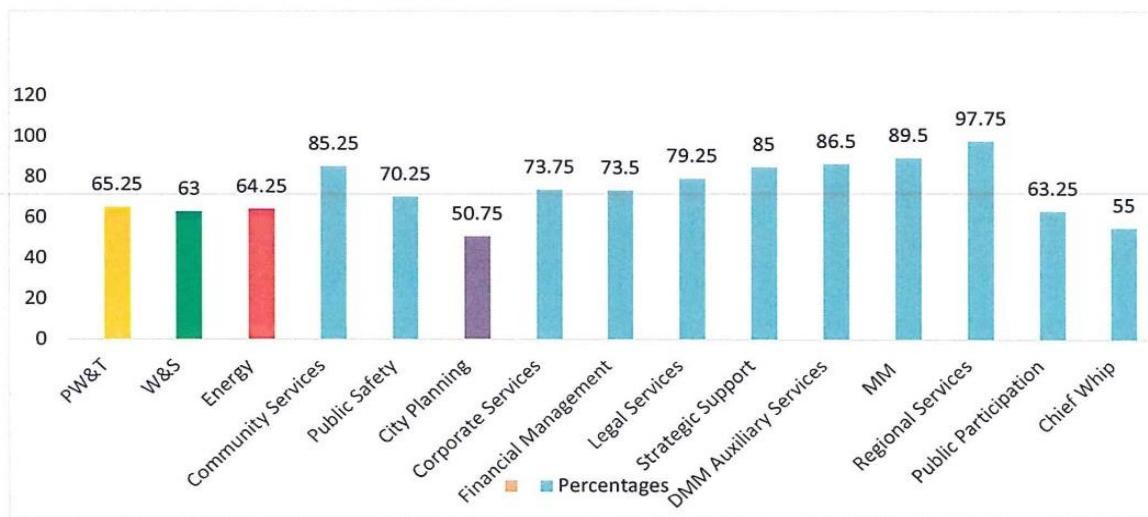


Figure: 1 Summary of Departmental Performance for 2016/17 Quarters 1 – 4

These selected SDBIP key focus areas can never succeed without relevant resources and skills to accomplish them. These resources should be assigned key targets which are SMART (specific, measurable, reliable and time bound) so that Council can evaluate performance, hence these quarterly targets and evaluation of performance against such targets.

Continuing on the institutional performance, the Audit Committee has not been appraised on a proper systematic approach and methodology to measure individual staff performance in the Municipality. The Audit committee is unable to conclude on the existence of a formal adopted staff performance policy and tools.

Regarding Departmental Performance, as indicated above, The Municipality has achieved a 72.5% of its set targets, which is commendable, however the achievement is not on infrastructural related critical projects.

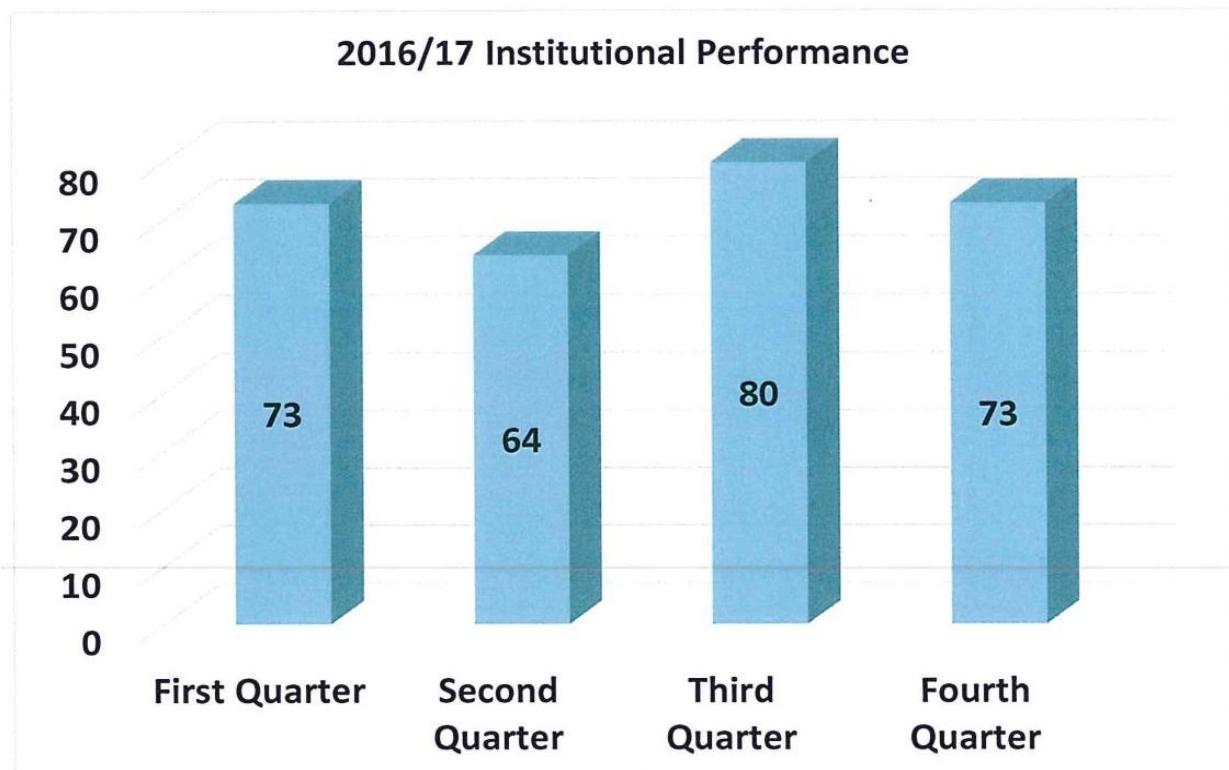


Figure: 2 Graphical Institutional Performance Summary for 2016/2017 Quarters 1 - 4

3.2 Annual Financial Statements

The Audit Committee reviewed and provided inputs to the unaudited annual financial statements for City of Mbombela and UMLEDA for the year ended 30 June 2017 during a meeting held on 30 August 2017 as well as the consolidated annual financial statements at a Special Audit committee Meeting before submission to the external auditors.

The areas of concern from the Audit Committee was on unspent grants and the cash flow problems experienced by the Municipality raising a doubt on the going Concern. The issue on unspent grants was also raised during the quarterly meetings with management however management of the municipality assured the Committee that there were steps to be followed by the Municipality before the grant can be returned back to National Treasury.

The committee also reviewed Disclosure requirements on the Annual Financial Statements. Irregular expenditure and fruitless & wasteful expenditure registers were tabled and considered at each ordinary Audit committee meeting whereby these were interrogated. It has, however come to light that the external audit process has uncovered additional irregular expenditure of R122 Million which was not reported at the Ordinary meetings of the Audit committee.

Material Misstatements were also picked up by External Auditors during the current year audit which were also picked up by Audit committee during the year, however there appears to be slow or non-implementation of Audit committee recommendations on addressing these issues from management.

For UMLED, the entity, the Committee reviewed the reasonableness of the presentation on the financial statements and also recommended that the Chairperson of the Board sign off on the annual financial statements instead of the Municipal Manager.

3.3 Budget Performance Assessment

The audit committee noted that the Municipality was still experiencing a challenge in paying creditors within 30 days and recommended that the Municipality negotiate with ESKOM and TELKOM for reversal of interest charged if possible. In instances where payments were made on time, management was to strengthen monitoring controls over the accounts.

The Committee was also concerned about the overspending on overtime and recommended that overtime be approved by the Accounting Officer in line with the Basic Conditions of Employment Act. On the cash flow challenges management assured the audit committee that the sourcing strategy, enhancement revenue strategy and the cost curtailment strategy will assist the Municipality with the cash flow problems. This will be monitored on an ongoing basis during the course of the financial year.

The audit committee recommended that the Municipality reduce loans to avoid high bank charges to ease the cash flow problems and to ensure the Revenue enhancement Strategy is fully implemented.

To reduce the budget pressures, it was recommended that management should make use of in-house skills and place less reliance on external consultants.

3.4 The effectiveness of Internal Controls

In line with the MFMA requirements and the Audit Committee mandate is to provide oversight on the Municipality, the efficiency and effectiveness on the systems of Internal Control was considered .The internal audit provides the audit committee and management with assurance that internal controls are appropriate and effective. This is usually achieved by means of review of internal controls, the identification of corrective actions and suggested enhancements to the internal control processes and risk management.

The system of internal control was not entirely effective for the year under review. Deficiencies were detected and reported through the internal audits that were performed on the system of internal control. Management continued to address control weaknesses reported by the internal Auditors and External auditors during the previous financial year audit.

Internal control breakdowns were also identified on performance information, whereby reports were table at the Audit committee not supported by POE's with the assurance the assurance from management that such POE's will be co-ordinated and audited before financial year end. This posed a huge risk on the reliability and completeness of information that would be presented for external audit review.

It is recommended that an Internal Control Framework for the municipality as a whole be developed and workshopped over and above existing business process flows within departments with all senior and middle management to ensure responsibility and accountability for reported performance.

3.5 Internal Audit

AC is raising and important concern to Council on the Internal Audit capacity constraints that were noted throughout the year, understaffing and overreliance on external service provider(s) were a major challenge that requires immediate intervention.

AC noted the extensive work done by the external service provider, which currently augmented the work done by the existing Internal Audit staff. The approved Internal Audit plan had to be amended several times due to capacity constraints which impacted on the planned audits resulting in the undesirable level of combined assurance.

Internal Audit had audited the management quarterly reports and presented to the audit committee during the quarterly meetings. Below are some of the audits which were completed and reviewed:-

- Internal audit report on performance information for 1st, 2nd, 3rd and 4th quarter
- Internal audit report on irregular expenditure
- Internal audit report on mScoa
- Internal audit report on fruitless and wasteful expenditure
- Deviations on SCM

These are not limited to the full suite of reports consumed during the AC meetings.

The implementation plan to address audit findings raised by external auditors was also reviewed and progress made to address the findings was noted however, it was very slow and not to the full expectations of the committee as some of these were repeat findings during the External audit review of the 2016/17 Financial year.

3.6 Risk Management

- The AC noted the report of the Risk Management Division and the current location of the Anti- Corruption related functions and programs. The Audit Committee is of the view that corruption is a risk and should be treated as such and this function should be moved to the Risk Management Division. Currently it is in the Executive Mayor's Office.
- Risk Management appointed risk champions to regularly update its committee on the status of each risk identified and the Audit Committee is satisfied with this methodology and practice within Council.
- The audit committee reviewed the quarterly risk management reports and recommended that the strategic risks should be aligned to the IDP.
- Council should institute and monitor Occupational and Health Systems compliance in each Department and ensure that all SHE appointments are effected and training effected.

3.7 Auditor General's report

- The AC Noted the AG findings and resolved that AG findings progress for the rectification or resolution should be a standing item in all AC meetings to monitor progress.

- The final management letter and draft audit report of Auditor-General South Africa for the 2016/17 financial year was not discussed with the Audit Committee to ensure that there were no unresolved issues before the report was finalised.
- The AG did not attend any of the AC scheduled meetings during the financial year under review
- Robust reviews on ensuring reliable and accurate reporting by management were done the AC through the year. Upon external audit review, it came to light that the effectiveness of the implementation of AC recommendations to management had an impact on the reliance that was placed by the AG on the effectiveness of AC.
- It is therefore imperative that all resolutions as detailed in the resolutions register of the AC to management and council be implemented and monitored continuously.

3.8 General Comments

Financial

- The Municipality faces revenue constraints, which may result in it not being able to meet its financial obligations to its creditors. AC however noted the revenue enhancement strategies by the Office of the Chief Financial Officer (CFO) to minimise the impacts of negative cash flows.
- Non-payment of creditors within 30 days still remained a challenge
- AC noted that Eskom interest was impacting negatively on the financial situation of the City and the recent settlement agreements made to curb this expenditure.
- The implications of the above observations and the classification of these line items, have a direct contribution to unauthorized and fruitless expenditure
- AC noted the deviations from supply chain processes and the insufficient detail provided in the register for such deviations. The audit committee recommended that supply chain management controls has to be strengthened by establishing a deviation committee, a panel of service providers for services such as catering, sound hire and transport etc.
- Consequence management remains an area to be strengthened
- There is a need for provincial to do a pre-audit readiness assessment on an annual basis to avoid material adjustments to the financial statements
- In light of City of Mbombela being a new entity, there was an independent quality assurance finding based on IIA standard 1312, however it is important to note findings in this regard would be pre-mature.

Performance

- A common trend across Departments was that most Key Performance Indicators do not match the targets (Targets not smart) and this needs to be improved in the next reporting cycle.
- Generally Most Departments could not achieve the set targets, of most concern, Water and Sanitation, Public Works and Transport, Energy and City Planning citing Amalgamation as a major challenge.
- Non-reaching of targets by Public Works Roads &Transport , Water and Sanitation and Energy is a risk to Council as unspent budgets might disadvantage National Treasury allocation to Council in the next financial year.
- City Manager to ensure that Departments cooperate with Monitoring and Evaluation to avoid over-reporting or under-reporting
- Weight of Infrastructure related projects should be monitored closely as failure to finish such projects has huge service delivery and financial implications to Council.

4. Overall Recommendations

- Departments need to align their Key Performance Indicators together with the Baselines
- Departments submit Portfolio of Evidence on completed projects on time to ensure Monitoring and Evaluation Unit has sufficient time for the compilation of quarterly reports
- Unauthorized and fruitless expenditure needs to be attended to by the CFO and General Managers
- Any Supply Chain deviation must be accompanied by a detailed explanation with supporting documentation
- A supply chain deviations committee be established
- Financial and administrative controls should be strengthened in each Department.
- Eskom, SARS and general service providers are to be paid within the stipulated periods
- Consequence Management needs to be instituted to curb unauthorized, fruitless and wasteful expenditure
- Council needs to constitute the Financial Disciplinary Board to follow up on cases of fruitless and wasteful expenditure
- Vacant posts within Internal Audit must be filled to reduce Council's dependency on the existing external service provider which currently plays the role of Internal Audit.

Only specialized services with no internal skills and capacity should be referred to the contracted service provider.

- Performance management culture and system to be cascaded down to all levels of staff.
- Management should have early warning measures and systems to detect status of projects and overall Departmental Performance to avoid non achievement of Council projects.
- Regarding incorrect reporting of quarterly performance by Departments, General Managers should have monthly Departmental meetings on projects to evaluate projects performance and ensure middle Managers report accurately. Increased accountability on projects within Departments.
- Council to formalize the initiation of a Financial Committee to deal with financial misconduct.
- City Manager to hold Section 56 employees accountable for their Departmental performance.
- AG to be standing invitee at all AC meetings and ensure regular interactions with the committee
- The Municipality should reduce loans to avoid high bank charges to ease the cash flow problems and to ensure the Revenue enhancement Strategy is fully implemented.
- Management should make use of in-house skills and place less reliance on external consultants to reduce budget pressures.
- An Internal Control Framework for the municipality as a whole be developed and workshopped over and above existing business process flows within departments with all senior and middle management to ensure responsibility and accountability for reported performance.

5. Acknowledgements

The Audit Committee would like to thank the Mbombela City Municipality, especially the Honourable Council members and the Municipal Manager, Deputy Municipal Managers, General Managers and all staff for the team spirit displayed throughout the 2016/2017 financial year. Continued support will be appreciated to ensure that the Audit Committee exercises its oversight role to Council. The late Stephen Covey, author

7 Habits of Highly Effective People once said “*the job of a leader is to build a complementary team, where every strength is made effective and each weakness is made irrelevant*”. We believe these words to be true to Mbombela City as it strives towards becoming an African City of Choice.



MS TH MBATHA CA (SA)
CHAIRPERSON OF THE AUDIT COMMITTEE
DATE: 22/11/2018

APPENDIX G:

Public Private Partnership



Public Private Partnership -Concession Arrangement

The former Mbombela Local Municipality (combining entity) signed a 30 year concession agreement in April 1999 with SembCorp Silulumanzi (Proprietary) Limited previously known as the Greater Nelspruit Utility Company (GNCU) for provision of water and sanitation services as well as servicing the growing expectations of the communities on behalf of the municipality. The concession agreement became effective from 1 November 1999 and is subjected to review every five years through the supplementary agreements. The concession areas boundaries are the municipal boundaries of the previous Nelspruit Transitional Council and any extension of services outside the developed areas are dealt with on a case by case basis.

Supplementary agreement number four (4) was concluded during 2014/2015 financial year and it became effective 1 November 2014 until 31 October 2019 in accordance with five year period review process.

The Concessionaire is obligated to ensure that the communities within the concession area have access to a 24 - hour water supply to all formal households and to use best efforts to improve the number of households in informal areas with 24 – hour water supply. It is also a requirement that the Concessionaire must provide portable water and effluent quality In compliance with the National Water Quality Standards.

The concessionaire leases and operates water services delivery assets within the concession area at a rental of R 189 666.25 per month for the remainder of the term of the Concession agreement. The assets are controlled by the Municipality and are recorded in the assets register of the Municipality as Property, Plant and Equipment. The Concessionaire recognises the right to use those assets as intangible assets in accordance with the applicable accounting standards.

The concession agreements provides for the concessionaire to maintain, refurbish, rehabilitate and improve the assets within its operations and collection of water and sanitation revenue within the Concession area. The water and sanitation tariffs for the Concessionaire are approved by Council for implementation in terms of section 24 of the Municipal Finance Management Act No.56 of 2003. The concessionaire acts as a project manager for construction of new infrastructure within the concession area which is funded by the Municipality. The Concessionaire is obligated to ensure that the assets are adequately maintained each year.

The concession agreement may be terminated by either party with effect from any date after the natural end of the concession contract in the year 2029 or the date of termination of the concession agreement, whichever is earlier, provided that least 24 months prior written notice has been given by the party intending to cancel the concession agreement to the other party. All assets operated by the Concessionaire will be transferred back to the Municipality in a good condition on termination of the concession agreement.

APPENDIX H:

Revenue Collection Performance by Vote



City of Mbombela

(Registration number MP326)

Financial Statements for the 11 months ended 30 June 2017

Statement of Financial Performance

	Note(s)	11 months ended 30 June 2017
Figures in Rand		
Revenue		
Revenue from exchange transactions		
Service charges	25	968,694,667
Rental of facilities and equipment	26	13,995,228
Agency services	27	34,708,403
Other income	28	32,541,418
Finance Income	29	28,240,405
Total revenue from exchange transactions		<u>1,078,180,121</u>
Revenue from non-exchange transactions		
Taxation revenue		
Property rates	30	370,132,722
Transfer revenue		
Government grants & subsidies	31	1,132,384,399
Fines, Penalties and Forfeits		6,592,387
Total revenue from non-exchange transactions		<u>1,509,109,508</u>
Total revenue		<u>2,587,289,629</u>
Expenditure		
Employee related costs	32	(576,338,064)
Remuneration of councillors	33	(30,680,102)
Depreciation and amortisation	34	(455,223,430)
Finance costs	35	(48,663,685)
Operating lease		(9,806,938)
Bad debts written off	36	(23,416,680)
Bulk purchases	37	(606,735,065)
Contracted services	38	(606,325,922)
Transfers and Subsidies	39	(39,270,698)
General Expenses	40	(231,024,063)
Total expenditure		<u>[2,627,484,647]</u>
Operating deficit		<u>(40,195,018)</u>
Loss on disposal of assets and liabilities		(520,827)
Impairment loss		(72,265,685)
Inventories losses/write-downs		(679,418)
Deficit for the 11 months		<u>(73,465,930)</u>
		<u>(113,660,948)</u>

City of Mbombela

Appendix G1

Unaudited Budgeted Financial Performance (revenue and expenditure by standard classification for the year ended 30 June 2017)

	2016/2017								2015/2016						
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Budget Rand	Rand	Rand	Rand	Rand	Rand	Rand
Expenditure - Standard															
Governance and administration	629,470,316	15,949,738	645,420,054	-	-	645,420,054	605,969,145	-	(39,450,909)	94 %	96 %	-	-	-	
Executive and council	252,371,204	(7,537,319)	244,833,885	-	-	244,833,885	221,050,087	-	(23,783,798)	90 %	88 %	-	-	-	
Budget and treasury office	213,371,245	23,487,057	236,858,302	-	29,650	236,887,952	215,827,927	-	(21,060,025)	91 %	101 %	-	-	-	
Corporate services	163,727,867	-	163,727,867	-	792,761	164,520,628	169,091,131	-	4,570,503	103 %	103 %	-	-	-	
Community and public safety	348,385,649	1,470,244	349,855,893	-	(73,926,210)	275,929,683	245,234,104	-	(30,695,579)	89 %	70 %	-	-	-	
Community and social services	59,000,779	-	59,000,779	-	1,099,985	60,100,764	57,700,043	-	(2,400,721)	96 %	98 %	-	-	-	
Sport and recreation	138,834,108	-	138,834,108	-	-	138,834,108	126,672,919	-	(12,161,189)	91 %	91 %	-	-	-	
Public safety	121,351,470	1,470,244	122,821,714	-	(75,026,195)	47,795,519	42,249,069	-	(5,546,450)	88 %	35 %	-	-	-	
Housing	17,866,615	-	17,866,615	-	-	17,866,615	15,478,406	-	(2,388,209)	87 %	87 %	-	-	-	
Health	11,332,677	-	11,332,677	-	-	11,332,677	3,133,667	-	(8,199,010)	28 %	28 %	-	-	-	
Economic and environmental services	325,598,452	28,710,063	354,308,515	11,500,000	(2,350,000)	363,458,515	625,413,918	-	261,955,403	172 %	192 %	-	-	-	
Planning and development	47,922,071	(3,887,338)	44,034,733	-	-	44,034,733	47,712,239	-	3,677,506	108 %	100 %	-	-	-	
Road transport	274,671,481	32,455,988	307,127,469	11,500,000	(2,350,000)	316,277,469	564,659,960	-	248,382,491	179 %	206 %	-	-	-	
Environmental protection	3,004,900	141,413	3,146,313	-	-	3,146,313	13,041,719	-	9,895,406	415 %	434 %	-	-	-	
Trading services	1,085,663,486	(36,792,406)	1,048,871,080	-	75,453,799	1,124,324,879	1,222,460,616	-	98,135,737	109 %	113 %	-	-	-	
Electricity	606,433,195	(34,492,406)	571,940,789	-	75,453,799	647,394,588	725,054,310	-	77,659,722	112 %	120 %	-	-	-	
Water	261,546,574	(2,300,000)	259,246,574	-	-	259,246,574	274,957,583	-	15,711,009	106 %	105 %	-	-	-	
Waste water management	34,001,250	-	34,001,250	-	-	34,001,250	35,405,253	-	1,404,003	104 %	104 %	-	-	-	
Waste management	183,682,467	-	183,682,467	-	-	183,682,467	187,043,470	-	3,361,003	102 %	102 %	-	-	-	
Other	5,035,435	-	5,035,435	-	-	5,035,435	1,872,795	-	(3,162,640)	37 %	37 %	-	-	-	
Other	5,035,435	-	5,035,435	-	-	5,035,435	1,872,795	-	(3,162,640)	37 %	37 %	-	-	-	
Total Expenditure - Standard	2,394,153,338	9,337,639	2,403,490,977	11,500,000	-	2,414,990,977	2,700,950,578	-	285,959,601	112 %	113 %	-	-	-	
Surplus/(Deficit) for the year	566,529,231	(49,845,491)	516,683,740	(11,500,000)	-	505,183,740	(113,660,948)	-	(618,844,688)	(22)%	(20)%	-	-	-	

City of Mbombela

Appendix G2

Unaudited Budgeted Financial Performance (revenue and expenditure by municipal vote) for the year ended 30 June 2017

	2016/2017								2015/2016						
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
Revenue by Vote															
Council	4 044 658	476 138	4 520 796	-		4 520 796	1 967 039		(2 553 757)	44 %	49 %			-	
Municipal Manager	17 272 487	(5 645 474)	11 627 013			11 627 013	5 007 140		(6 619 873)	43 %	29 %			-	
Financial Management	1,142 624 889	(60 308 620)	1 082 316 269			1 082 316 269	914 417 441		(167 898 828)	84 %	80 %			-	
Corporate Services	1 824 478	(1 222 473)	602 005			602 005	5 986 623		5 384 618	994 %	328 %			-	
Public Works and Transport	496 411 854	65 134 817	561 546 671			561 546 671	439 119 117		(12 427 554)	78 %	88 %			-	
Energy	703 728 814	(26 160 174)	677 568 640			677 568 640	798 921 711		121 353 071	118 %	114 %			-	
Water and Sanitation	251 328 285	7 983 489	259 311 774			259 311 774	210 640 169		(46 671 605)	81 %	84 %			-	
Community Services	128 407 733	(9 293 733)	119 114 000			119 114 000	93 264 070		(25 849 930)	78 %	73 %			-	
Public Safety	204 015 224	(10 199 406)	193 815 818			193 815 818	108 749 306		(85 066 512)	56 %	53 %			-	
City Planning	11 024 147	(1 272 414)	9 751 733			9 751 733	9 217 014		(534 719)	95 %	84 %			-	
Total Revenue by Vote	2 960 682 569	(40 507 850)	2 920 174 719	-		2 920 174 719	2 587 289 630		(32 885 089)	89 %	87 %			-	
Expenditure by Vote to be appropriated															
Council	92 311 325	(3 895 936)	88 415 389	-	(23 728 049)	64 687 340	60 819 068	-	(3 868 272)	94 %	66 %	-	-	-	
Strategic Management	23 581 546	348 117	23 929 663	-	2 903 433	26 833 096	30 406 373	-	3 573 277	113 %	129 %	-	-	-	
Municipal Manager	111 762 222	19 898 606	131 660 828	-	21 900 660	153 561 488	160 623 641	-	7 062 163	105 %	144 %	-	-	-	
Financial Management	221 953 889	6 836 390	228 790 279	-	(27 360 725)	201 429 554	351 463 701	-	150 034 147	174 %	158 %	-	-	-	
Corporate Services	196 167 396	(3 710 585)	192 456 811	-	(57 102 927)	135 353 894	62 436 302	-	(72 917 582)	46 %	32 %	-	-	-	
Public Works and Transport	194 128 697	(14 366 608)	179 762 089	11 500 000	(18 503 361)	172 758 728	416 512 556	-	243 753 828	241 %	215 %	-	-	-	
Energy	544 403 903	(18 261 495)	526 142 408	-	174 640 874	700 783 282	700 885 782	-	102 500	100 %	129 %	-	-	-	
Water and Sanitation	307 577 217	6 661 529	314 238 746	-	(2 281 535)	311 957 211	321 639 129	-	9 681 918	103 %	105 %	-	-	-	
Community Services	407 026 449	(9 825 774)	397 200 675	-	(12 140 109)	385 060 566	214 195 896	-	(170 864 870)	56 %	53 %	-	-	-	
Public Safety	214 600 187	18 179 586	232 779 773	-	(64 694 966)	178 084 807	310 880 395	-	132 795 588	175 %	145 %	-	-	-	
City Planning	80 649 506	7 464 809	88 114 315	-	(3 633 295)	84 481 020	71 087 934	-	(13 393 086)	84 %	88 %	-	-	-	
Total Expenditure by Vote	2 394 162 337	9 328 639	2 403 490 976	11 500 000	-	2 414 990 976	2 700 950 577	-	285 959 601	112 %	113 %	-	-	-	
Surplus/(Deficit) for the year	566 520 232	(49 836 489)	516 683 743	(11 500 000)		505 183 743	(113 660 947)		(618 844 690)	(22)%	(20)%			-	

VOLUME II:

AFS





**City of Mbombela
Financial statements
for 11 months period ended 30 June 2017**

City of Mbombela

(Registration number MP326)

Financial Statements for the 11 months ended 30 June 2017

General Information

Nature of business and principal activities

The City of Mbombela was established as a Category B municipality as determined by the Demarcation Board in terms of Section 4 of the Municipal Demarcation Act and the Provincial Gazette No 2721. The principal activities of the City are to provide services to communities in a sustainable manner, promoting social and economic development and encouraging the involvement of communities and community organizations in the matters of local government in accordance with Section 152 of the Constitution.

Members of the Mayoral committee (MMC) and their portfolios

Cllr SP Mathonsi (Executive Mayor)

Cllr MJ Msibi (Speaker)

Cllr ME Nsimbini (Chief Whip)

Cllr BN Mdhluu (MMC City Planning and Development)

Cllr C Maseko (MCC Corporate Services)

Cllr PP Nyalunga (MMC Public Safety)

Cllr PV Mashego (MMC Energy)

Cllr PV Mkhathwana (MMC Public Works, Roads and Transport and Leader of Government Business)

Cllr LE Nyalunga (MMC Strategic Management Services)

Cllr NE Gecelo - Mkhabela (MMC Financial Management)

Cllr A Kumba (MMC Regional Centre Coordination)

Cllr GS Siwela (MMC Water and Sanitation)

Cllr MM Mlimi (MMC Community Services)

Councillor	Ward	Councillor	Ward
Cllr EA Fakomo	1	Cllr MC Mhlanga	25
Cllr MJ Msibi	2	Cllr TM Bulunga	26
Cllr DJ Nkosi	3	Cllr DB Nkosi	27
Cllr DD Ngwenyama	4	Cllr SR Masuku	28
Cllr MJ Malomane	5	Cllr TK Nyathi	29
Cllr HB Fakude	6	Cllr TMJ Grove'-Morgan	30
Cllr SM Banda	7	Cllr BA Nyalunga	31
Cllr SE Mbuyane	8	Cllr KG Ndhlovu	32
Cllr EM Sebashe	9	Cllr EK Manzini	33
Cllr DDT Ngobe	10	Cllr RF Mgwenya	34
Cllr EM Mutobvu	11	Cllr RQ Molemo	35
Cllr BP Nkhoma	12	Cllr JJ Khoza	36
Cllr A Thabethe	13	Cllr NM Maganga	37
Cllr KM MKhonto	14	Cllr ST Masha	38
Cllr T Marshall	15	Cllr SI Mokoena	39
Cllr KA Oliver	16	Cllr LM Sikonela	40
Cllr S Van Der Merwe	17	Cllr LM Bhembe	41
Cllr JB Mashaba	18	Cllr MC Nkosi	42
Cllr DB Mkhathwana	19	Cllr HL Shongwe	43
Cllr LC Sibya	20	Cllr JJ Mkhabela	44
Cllr NA Mokoena	21	Cllr LB Nkosi	45
Cllr TM Pila	22		
Cllr ME Mhawule	23		
Cllr NL Lukhele	24		

City of Mbombela

(Registration number MP326)

Financial Statements for the 11 months ended 30 June 2017

General Information

Proportional Representative Councillors (PR)

Councillor	Ward	Councillor	Ward
Cllr PP Mbowane	1	Cllr BA Nyalunga	25
Cllr MC Mhlanga	2	Cllr ME Nsimbini	26
Cllr SR Schorman	3	Cllr AS Mthunywa	27
Cllr LT Mlombo	4	Cllr MJ Hlophe	28
Vacant	5	Cllr JV Mhlaba	29
Cllr K Mdhluli	6	Cllr PV Mashego	30
Cllr JM Mazibanei	7	Cllr PCW Minaar	31
Vacant	8	Cllr MG Moyana	32
Cllr MM Mlimi	9	Cllr GM Nkambule	33
Cllr EN Sibambo	10	Cllr FS Nkosi	34
Cllr M Mbewe	11	Cllr LM Shongwe	35
Cllr HP Celliers	12	Cllr SP Mathonsi	36
Cllr NE Gecelo - Mkhabela	13	Cllr WP Sibiya	37
Cllr BP Mhlanga	14	Cllr SE Makushe	38
Cllr EG Janse van Rensburg	15	Cllr L Maseko	39
Cllr MK Matsemela	15	Cllr BN Mdhluli	40
Cllr GCB Anthony	16	Cllr TG Mabuza	41
Cllr C Maseko	17	Cllr ME Jacobs	42
Cllr TM Charles	18	Cllr A Kumba	43
Cllr LE Nyalunga	19	Cllr MS Mashela	44
Cllr LE Siboga	20	Cllr PV Mkhathwana	45
Cllr L Ngwenyama	21		
Cllr PP Nyalunga	22		
Cllr GS Siwela	23		
Cllr DE Shongwe	24		

Audit and Performance Audit Committee

Mrs TH Mbatha	Chairperson
Mrs PAC Mangoma	Member
Mr SM Ndukuya	Member
Ms LWS Ngwenya	Member

Acting Municipal Manager Mr. N Diamond

Acting Chief Financial Officer Mr. W Khumalo

Registered office Mbombela Civic Centre

Physical address Civic Centre
1 Nel Street

City of Mbombela

(Registration number MP326)

Financial Statements for the 11 months ended 30 June 2017

General Information

Postal address	Mbombela 1200
Bankers	P.O. Box 45 Mbombela 1200
Auditors	ABSA bank Mbombela 2nd Floor, ABSA Square 20 Paul Kruger Street Mbombela 1201
Auditors	Auditor General South Africa - Mpumalanga 10 Nel Street Mbombela 1200
Telephone number	(013) 759 9111
Fax number	(013) 759 2002
Website address	www.mbombela.gov.za
Enquiries	
Building Plans	(013) 759 2184
Electricity	(013) 759 2231
Water and Sewerage	(013) 759 2580
Customer Care	(013) 759 2025 / 2064
Paypoints	
White River	(013) 751 1176
KaNyamazane	(013) 794 1254
Matsulu	(013) 778 9061
Kabokweni	(013) 796 0227
Hazyview	(013) 737 7346
Mbombela Civic Centre	(013) 759 2025 / 2064
Mbombela - The Grove Riverside	(013) 759 9912 / 9913
Barberton Municipal offices	(013) 712 8800 / 2121
Libraries	
Kabokweni	(013) 796 1082 / 0590
Matsulu	(013) 778 9864 / 9000
Mbombela	(013) 759 2077
Nelsville	(013) 755 4788
White River	(013) 7509125 / 6039
Victory Park	(013) 759 2089
Hazyview	(013) 737 7220 / 7346
Barberton Town Library	(013) 712 8800
Barberton Emjindini Library	(013) 712 8800

City of Mbombela

(Registration number MP326)

Financial Statements for the 11 months ended 30 June 2017

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The reports and statements set out below comprise the financial statements for the 11 months ended 30 June 2017:

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City of Mbombela

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Financial Statements for the 11 months ended 30 June 2017

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Abbreviations

DBSA	Development Bank of Southern Africa
DME	Department of Minerals and Energy
DWS	Department of Water and Sanitation
EPWP	Expanded Public Works Programme
FMG	Finance Management Grant
GRAP	Generally Recognised Accounting Practice
INEP	Integrated National Electrification Programme
MFMA	Municipal Finance Management Act No 56 of 2003
MIG	Municipal Infrastructure Grant
MWIG	Municipal Water Infrastructure Grant
MSIG	Municipal System Improvement Grant
PAYE	Pay As You Earn
PR	Proportional Representative Councillor
PTNG	Public Transport Network Grant
R	Rand
SARS	South African Revenue Services

City of Mbombela

(Registration number MP326)

Financial Statements for the 11 months ended 30 June 2017

Approval and certification of Annual Financial Statements

I am responsible for the preparation of these financial statements, which are set out on page s 7 to 108, in terms of Section 126(1) of the Municipal Finance Management Act No 56 of 2003 and which I have signed on behalf of the Municipality. The financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practices (GRAP), other applicable accounting standards and reporting framework approved by the Accounting Standards Board and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates. These financial statements fairly presents the state of affairs of the municipality, its management of revenue, expenditure, assets and liabilities, its business activities, its financial results, and its financial position as at 30 June 2017.

I certify that the salaries, allowances and benefits of Councillors, as disclosed in note 33 of these financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Co-operative Governance and Traditional Affairs determination in accordance with this Act:

The former Mbombela and Umjindi local municipalities were disestablished and a category B municipality named City of Mbombela was established as determined by the Demarcation Board and in terms of the Mpumalanga Provincial Notice 70 of 2016, Gazette No 2721.

All assets and liabilities of the combining entities (Former Mbombela and Umjindi local municipalities) were taken over by the combined entity (City of Mbombela) from 11 August 2016. These financial statements for the combined entity is for the period 11 August 2016 to 30 June 2017.

Mr. N Diamond
Acting Municipal Manager

City of Mbombela

(Registration number MP326)

Financial Statements for the 11 months ended 30 June 2017

Statement of Financial Position

Figures in Rand

30 June
2017
Note(s)

Assets

Current Assets

Inventories	2	101,615,574
Other receivables from exchange transactions	3	81,774,317
Trade receivables from non-exchange transactions	4	62,343,502
Value Added Tax receivable	5	84,235,002
Cash and cash equivalents	6	23,864,280
Operating lease asset	24	232,381
Trade receivables from exchange transactions	7	142,084,555
Deposits	8	4,535,819
		500,685,430

Non-Current Assets

Investment property	9	341,353,015
Property, plant and equipment	10	7,174,091,486
Intangible Assets	11	16,047,991
Heritage assets	12	2,301,970
Investments	13	17,260,144
Non - current portion of receivables		351,394
		7,551,406,000

Total Assets

8,052,091,430

Liabilities

Current Liabilities

Current portion of borrowings	14	17,954,254
Other financial liabilities	15	3,544,397
Trade and other payables from exchange transactions	16	1,249,757,122
Other payables from non - exchange transactions	17	7,846,381
Current portion of long service awards	18	3,179,258
Unspent conditional grants and receipts	19	169,521,358
Provisions	20	3,334,744
Finance lease liability	21	1,941,807
Consumer deposits	22	34,593,682
Current portion of post employment benefit liability	23	3,786,440
		1,495,459,443

Non-Current Liabilities

Non - current portion of borrowings	14	287,751,760
Finance lease liability	21	4,632,909
Operating lease liability	24	271,543
Non-current portion of post employment benefit liability	23	137,179,853
Non - current portion of provisions	20	114,344,014
Non-current portion of long service awards	18	53,295,915
		597,475,994

Total Liabilities

2,092,935,437

Net Assets

Accumulated surplus

Audited

By

2017 - II - 30

5,959,155,993

5,959,155,993

* See Note 43

City of Mbombela

(Registration number MP326)

Financial Statements for the 11 months ended 30 June 2017

Statement of Financial Performance

Figures in Rand	Note(s)	11 months ended 30 June 2017
Revenue		
Revenue from exchange transactions		
Service charges	25	968,694,667
Rental of facilities and equipment	26	13,995,228
Agency services	27	34,708,403
Other income	28	32,541,418
Finance Income	29	28,240,405
Total revenue from exchange transactions		1,078,180,121
Revenue from non-exchange transactions		
Taxation revenue		
Property rates	30	370,132,722
Transfer revenue		
Government grants & subsidies	31	1,132,384,399
Fines, Penalties and Forfeits		6,592,387
Total revenue from non-exchange transactions		1,509,109,508
Total revenue		2,587,289,629
Expenditure		
Employee related costs	32	(576,338,064)
Remuneration of councillors	33	(30,680,102)
Depreciation and amortisation	34	(455,223,430)
Finance costs	35	(48,663,685)
Operating lease		(9,806,938)
Bad debts written off	36	(23,416,680)
Bulk purchases	37	(606,735,065)
Contracted services	38	(606,325,922)
Transfers and Subsidies	39	(39,270,698)
General Expenses	40	(231,024,063)
Total expenditure		(2,627,484,647)
Operating deficit		
Loss on disposal of assets and liabilities		(40,195,018)
Impairment loss		(520,827)
Inventories losses/write-downs		(72,265,685)
		(679,418)
Deficit for the 11 months		(73,465,930)
		(113,660,948)

* See Note 43



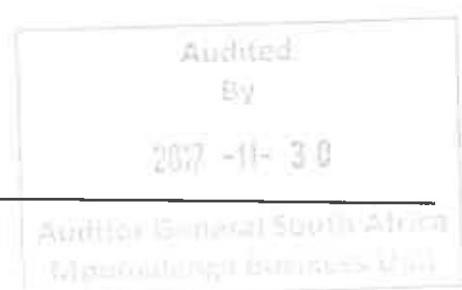
City of Mbombela
 (Registration number MP326)
 Financial Statements for the 11 months ended 30 June 2017

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
Balance (take on)	5,692,074,480	5,692,074,480
Adjustments		
Adjustments	380,742,461	380,742,461
Restated* Balance at 11 August 2016	6,072,816,941	6,072,816,941
Deficit for the period	(113,660,948)	(113,660,948)
Total changes	(113,660,948)	(113,660,948)
Balance at 30 June 2017	5,959,155,993	5,959,155,993

See note 43 for accounting error adjustments disclosure.

* See Note 43



City of Mbombela
 (Registration number MP326)
 Financial Statements for the 11 months ended 30 June 2017

Cash Flow Statement

Figures in Rand	Note(s)	11 months ended 30 June 2017
Cash flows from operating activities		
Receipts		
Property rates		374,821,716
Sale of goods and services		834,899,850
Government grants and subsidies		1,127,569,683
Interest income		28,240,405
Other income		56,154,006
		<u>2,421,685,660</u>
Payments		
Employee costs		(658,530,124)
Bulk purchases		(491,955,863)
Finance costs		(46,290,033)
Other payments		(573,363,332)
Grants and Subsidies paid		(39,270,698)
		<u>(1,809,410,050)</u>
Net cash flows from operating activities	41	<u>612,275,610</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	10	(603,004,823)
Proceeds from sale of property, plant and equipment	10	1,224,853
Purchase of other intangible assets	11	(7,929,169)
Increase in financial assets		(993,850)
Decrease in non - current portion of receivables		159,164
Net cash flows from investing activities		<u>(610,543,825)</u>
Cash flows from financing activities		
Repayment of current portion of borrowings		(4,710,731)
Movement in other financial liabilities		754,021
Finance lease payments		(266,368)
Net cash flows from financing activities		<u>(4,223,078)</u>
Net increase/(decrease) in cash and cash equivalents		(2,491,293)
Cash and cash equivalents at the beginning of the year		26,355,573
Cash and cash equivalents at the end of the year	6	<u>23,864,280</u>

* See Note 43

City of Mbombela

(Registration number MP326)

Financial Statements for the 11 months ended 30 June 2017

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Refer note 55
Figures in Rand						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Service charges	1,065,354,132	(35,914,434)	1,029,439,698	968,694,667	(60,745,031)	
Rental of facilities and equipment	21,757,887	(3,572,853)	18,185,034	13,995,228	(4,189,806)	3.1
Agency services	161,292,874	(6,391,094)	154,901,780	34,708,403	(120,193,377)	3.2
Other income	63,645,421	9,039,280	72,684,701	32,541,418	(40,143,283)	3.4
Finance Income	21,047,655	6,284,463	27,332,118	28,240,405	908,287	1
Total revenue from exchange transactions	1,333,097,969	(30,554,638)	1,302,543,331	1,078,180,121	(224,363,210)	
Revenue from non-exchange transactions						
Taxation revenue						
Property rates	388,780,434	14,437,916	403,218,350	370,132,722	(33,085,628)	
Transfer revenue						
Government grants & subsidies	1,209,506,556	(23,920,088)	1,185,586,468	1,132,384,399	(53,202,069)	2
Fines, Penalties and Forfeits	28,979,610	(471,044)	28,508,566	6,592,387	(21,916,179)	3.3
Total revenue from non-exchange transactions	1,627,266,600	(9,953,216)	1,617,313,384	1,509,109,508	(108,203,876)	
Total revenue	2,960,364,569	(40,507,854)	2,919,856,715	2,587,289,629	(332,567,086)	
Expenditure						
Employee related costs	(605,435,624)	(10,827,053)	(616,262,677)	(576,338,064)	39,924,613	
Remuneration of councillors	(35,692,237)	2,226,261	(33,465,976)	(30,680,102)	2,785,874	
Depreciation and amortisation	(219,423,837)	-	(219,423,837)	(455,223,430)	(235,799,593)	4
Finance costs	(26,469,941)	(4,250,000)	(30,719,941)	(48,663,685)	(17,943,744)	6
Operating lease	-	-	(9,806,938)	(9,806,938)		
Bad debts written off	-	-	(23,416,680)	(23,416,680)		
Debt impairment	(81,287,581)	-	(81,287,581)	-	81,287,581	5
Other materials	(60,631,717)	6,475,584	(54,156,133)	-	54,156,133	6.2
Bulk purchases	(537,302,661)	(1,372,761)	(538,675,422)	(606,735,065)	(68,059,643)	6.5
Contracted Services	(528,732,534)	(19,476,194)	(548,208,728)	(606,325,922)	(58,117,194)	6.1
Transfers and subsidies paid	(37,910,368)	(3,371,396)	(41,281,764)	(39,270,698)	2,011,066	6.4
General Expenses	(261,275,838)	9,766,921	(251,508,917)	(231,024,063)	20,484,854	6.3
Total expenditure	(2,394,162,338)	(20,828,638)	(2,414,990,976)	(2,627,484,647)	(212,493,671)	
Operating deficit	566,202,231	(61,336,492)	504,865,739	(40,195,018)	(545,060,757)	
Gain on disposal of assets	318,000	-	318,000	(520,827)	(838,827)	
Impairment loss	-	-	-	(72,265,685)	(72,265,685)	
Inventories losses/write-downs	-	-	-	(679,418)	(679,418)	
	318,000	-	318,000	(73,465,930)	(73,783,930)	
Deficit before taxation	566,520,231	(61,336,492)	505,183,739	(113,660,948)	(618,844,687)	

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City of Mbombela

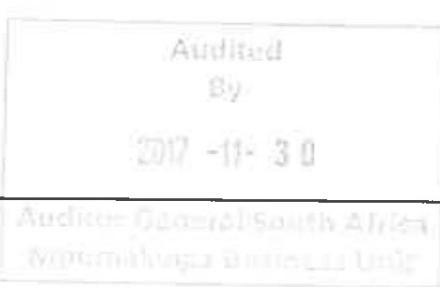
(Registration number MP326)

Financial Statements for the 11 months ended 30 June 2017

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Refer note 55
Figures in Rand						
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	566,520,231	(61,336,492)	505,183,739	(113,660,948)	(618,844,687)	



City of Mbombela

(Registration number MP326)

Financial Statements for the 11 months ended 30 June 2017

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Refer note 55
Figures in Rand						
Statement of Financial Position						
Assets						
Current Assets						
Inventories	30,057,915	-	30,057,915	101,615,574	71,557,659	
Operating lease asset	-	-	-	232,381	232,381	
Other receivables from exchange transactions	-	-	-	81,774,317	81,774,317	
Trade receivables from non-exchange transactions	79,556,674	-	79,556,674	62,343,502	(17,213,172)	
VAT receivable	-	-	-	84,235,002	84,235,002	
Trade receivables from exchange transactions	105,507,422	136,608,906	242,116,328	142,084,555	(100,031,773)	
Deposits	-	-	-	4,535,819	4,535,819	
Cash and cash equivalents	374,266,875	(281,128,310)	93,138,565	23,864,280	(69,274,285)	
	589,388,886	(144,519,404)	444,869,482	500,685,430	55,815,948	
Non-Current Assets						
Investment property	187,234,419	-	187,234,419	341,353,015	154,118,596	
Property, plant and equipment	5,816,014,558	-	5,816,014,558	7,174,091,486	1,358,076,928	
Intangible Assets	5,968,785	-	5,968,785	16,047,991	10,079,206	
Heritage assets	-	-	-	2,301,970	2,301,970	
Investments	17,897,395	-	17,897,395	17,260,144	(637,251)	
Non - current portion of receivables	-	-	-	351,394	351,394	
	6,027,115,157	-	6,027,115,157	7,551,406,000	1,524,290,843	
Total Assets	6,616,504,043	(144,519,404)	6,471,984,639	8,052,091,430	1,580,106,791	
Liabilities						
Current Liabilities						
Current portion of borrowings	20,410,487	-	20,410,487	17,954,254	(2,456,233)	
Finance lease liability	-	-	-	1,941,807	1,941,807	
Trade and other payables from exchange transactions	505,825,716	(151,747,715)	354,078,001	1,249,757,121	895,679,120	
Trade and other payables from non-exchange transactions	-	-	-	7,846,381	7,846,381	
Consumer deposits	24,645,917	-	24,645,917	34,593,682	9,947,765	
Current portion of post employment benefit liability	-	-	-	3,786,440	3,786,440	
Unspent conditional grants and receipts	-	-	-	169,521,358	169,521,358	
Provisions	10,085,042	-	10,085,042	3,334,744	(6,750,298)	
Current portion of long service awards	-	-	-	3,179,258	3,179,258	
Other financial liabilities	-	-	-	3,544,397	3,544,397	
	560,967,162	(151,747,715)	409,219,447	1,495,459,442	1,086,239,995	
Non-Current Liabilities						

Audited
2017 -11- 30

City of Mbombela

(Registration number MP326)

Financial Statements for the 11 months ended 30 June 2017

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Refer note 55
Figures in Rand						
No - current portion of borrowings	287,232,921	-	287,232,921	287,751,760	518,839	
Finance lease liability	-	-	-	4,632,909	4,632,909	
Operating lease liability	-	-	-	271,543	271,543	
Non-current portion of post employment benefit liability	147,000,000	-	147,000,000	137,179,853	(9,820,147)	
Non - current portion of provisions	114,727,941	-	114,727,941	114,344,014	(383,927)	
Non-current portion of long service awards	91,881,968	-	91,881,968	53,295,915	(38,586,053)	
	640,842,830	-	640,842,830	597,475,994	(43,366,836)	
Total Liabilities	1,201,809,992	(151,747,715)	1,050,062,277	2,092,935,436	1,042,873,159	
Net Assets	5,414,694,051	7,228,311	5,421,922,362	5,959,155,994	537,233,632	
Net Assets						
Net Assets Attributable to Owners of Controlling Entity						
Reserves						
Accumulated surplus	5,414,694,051	7,228,311	5,421,922,362	5,959,155,994	537,233,632	

Audited

By

2017-11-30

Auditor General South Africa
Municipalities Directorate Unit

City of Mbombela

(Registration number MP326)

Financial Statements for the 11 months ended 30 June 2017

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Refer note 55
Figures in Rand						
Cash Flow Statement						
Cash flows from operating activities						
Receipts						
Property rates	427,805,145	-	427,805,145	374,821,716	(52,983,429)	
Sale of goods and services	1,110,811,532	(162,945,028)	947,866,504	834,899,850	(112,966,654)	
Government grants and subsidies	1,288,699,732	(103,113,264)	1,185,586,468	1,127,569,683	(58,016,785)	
Interest income	23,425,449	3,906,670	27,332,119	28,240,405	908,286	
Other income	288,656,119	(38,359,220)	250,296,899	56,154,006	(194,142,893)	
	3,139,397,977	(300,510,842)	2,838,887,135	2,421,685,660	(417,201,475)	
Payments						
Employee related costs, remuneration of councillors and suppliers	(2,085,707,447)	82,892,339	(2,002,815,108)	(1,723,849,319)	278,965,789	
Finance costs	(47,392,772)	16,672,831	(30,719,941)	(46,290,033)	(15,570,092)	
Grants and subsidies paid	(181,539,614)	147,519,291	(34,020,323)	(39,270,698)	(5,250,375)	
	(2,314,639,833)	247,084,461	(2,067,555,372)	(1,809,410,050)	258,145,322	
Net cash flows from operating activities	824,758,144	(53,426,381)	771,331,763	612,275,610	(159,056,153)	
Cash flows from investing activities						
Purchase of property, plant and equipment	(727,898,126)	(13,525,744)	(741,423,870)	(603,004,823)	138,419,047	
Proceeds from sale of property, plant and equipment	-	-	-	1,224,853	1,224,853	
Purchase of other intangible assets	-	-	-	(7,929,169)	(7,929,169)	
Decrease in non - current receivables	-	(108,150,000)	(108,150,000)	159,164	108,309,164	
Increase other non - current receivables	126,936,394	-	126,936,394	(993,850)	(127,930,244)	
Net cash flows from investing activities	(600,961,732)	(121,675,744)	(722,637,476)	(610,543,825)	112,093,651	
Cash flows from financing activities						
Repayment of current portion of borrowings	(22,361,503)	(50,000,000)	(72,361,503)	(4,710,731)	67,650,772	
Proceeds from current portion of borrowings	-	50,000,000	50,000,000	-	(50,000,000)	
Movement in other financial liability	-	-	-	754,021	754,021	
Finance lease payments	-	-	-	(266,368)	(266,368)	
Net cash flows from financing activities	(22,361,503)	-	(22,361,503)	(4,223,078)	18,138,425	

City of Mbombela

(Registration number MP326)

Financial Statements for the 11 months ended 30 June 2017

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Refer note 55
Figures in Rand						
Net increase/(decrease) in cash and cash equivalents	201,434,909	(175,102,125)	26,332,784	(2,491,293)	(28,824,077)	
Cash and cash equivalents at the beginning of the year	172,831,966	(106,026,186)	66,805,780	26,355,573	(40,450,207)	
Cash and cash equivalents at the end of the year	374,266,875	(281,128,311)	93,138,564	23,864,280	(69,274,284)	

Audited

By

2017 -11- 30

City of Mbombela
(Registration number MP326)
Financial Statements for the 1

Financial Statements for the 11 months ended 30 June 2017
Registration number MR-328

Appropriation Statement

Figures in Rand	Original budget	Budget adjustments (i.t.o. s28 and budget s31 of the MfMMA)	Final adjustments	Shifting of funds (i.t.o. s31 of the MfMMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
2017											
Financial Performance											
Property rates	388,780,434	14,437,916	403,218,350			403,218,350	370,132,722		(33,085,628)	92 %	95 %
Service charges	1,065,354,132	(35,914,434)	1,029,439,698			1,029,439,698	968,694,667		(60,745,031)	94 %	91 %
Investment revenue	9,261,595	(1,579,341)	7,682,254			7,682,254	28,240,405		20,558,151	368 %	305 %
Transfers recognised - operational	542,148,574	(66,625,043)	475,523,531			475,523,531	494,367,793		18,844,262	104 %	91 %
Other own revenue	287,779,852	6,468,095	294,247,947			284,247,947	87,837,436		(206,410,511)	30 %	31 %
Total revenue (excluding capital transfers and contributions)	2,293,324,587	(83,212,807)	2,210,111,780			2,210,111,780	1,949,273,023		(260,838,757)	88 %	85 %
Employee costs	(605,435,624)	(10,827,053)	(616,262,677)			(616,262,677)	(576,338,064)		-	39,924,613	94 %
Remuneration of councillors	(35,692,237)	2,226,261	(33,465,976)			(33,465,976)	(30,680,102)		-	2,785,874	92 %
Debt impairment	(81,287,581)		(81,287,581)			(81,287,581)	(23,416,680)		-	57,870,901	29 %
Depreciation and asset impairment	(219,423,837)		(219,423,837)			(219,423,837)	(455,223,430)		-	(235,799,593)	207 %
Finance charges	(26,469,941)	(4,250,000)	(30,719,941)			(30,719,941)	(48,663,685)		-	(17,943,744)	158 %
Materials and bulk purchases	(597,934,378)	26,400,488	(57,533,890)			(21,297,665)	(592,831,555)		-	(13,903,510)	102 %
Transfers and subsidies paid	(37,910,368)	3,890,045	(34,020,323)			(7,261,441)	(41,281,764)		-	2,011,066	95 %
Other expenditure	(790,008,372)	(26,768,379)	(816,776,751)			17,059,106	(799,717,645)		-	(120,905,208)	115 %
Total expenditure	(2,394,162,338)	(9,328,638)(2,403,490,976)	-	(11,500,000)(2,414,990,976)(2,700,950,577)	-	(285,959,601)	112 %	-	(285,959,601)	113 %	-
Surplus/(Deficit)	(100,837,751)	(92,541,445)	(192,379,196)	-	(204,879,196)	(751,677,554)	-	(545,798,358)	367 %	745 %	-

Appropriation Statement

Figures in Rand	Original budget	Budget adjustments (I.t.o. s28 and s31 of the MFMA)	Final adjustments (I.t.o. s28 and budget s31 of the MFMA)	Shifting of funds (I.t.o. s31 of the MFMA)	Virement (I.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance as % of final budget	Actual outcome as % of original budget
Transfers recognised - capital	667,357,982	42,704,955	710,062,937	-	-	710,062,937	638,016,606	(72,046,331)	90 %	96 %
Surplus (Deficit) after capital transfers and contributions	566,520,231	(49,836,490)	516,683,741	-	-	505,183,741	(113,660,948)	(618,844,689)	(22)%	(20)%
Surplus/(Deficit) for the year	566,520,231	(49,836,490)	516,683,741	-	-	505,183,741	(113,660,948)	(618,844,689)	(22)%	(20)%
Capital expenditure and funds sources										
Total capital expenditure	(867,497,821)	126,073,951	(741,423,870)	-	-	(741,423,870)	612,750,319	-	1,354,174,189	(83)% (71)%
Sources of capital funds										
Transfers recognised - capital	694,759,385	(90,473,840)	604,285,545	-	-	604,285,545	-	(604,285,545)	- %	- %
Public contributions and donations	11,104,950	(4,682,471)	6,422,479	-	-	6,422,479	-	(6,422,479)	- %	- %
Internally generated funds	161,633,486	(30,917,640)	130,715,846	-	-	130,715,846	-	(130,715,846)	- %	- %
Total sources of capital funds	867,497,821	(126,073,951)	741,423,870	-	-	741,423,870	-	(741,423,870)	- %	- %

Audited
By
17-11-30
General Cash Officer
Munisipality of Mbombela

City of Mbombela

(Registration number MP326)

Financial Statements for the 11 months ended 30 June 2017

Accounting Policies

1. Presentation of Financial Statements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations, guidelines and directives issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

These financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

A summary of the significant accounting policies, which have been applied in the preparation of these annual financial statements, are disclosed below. Details of any changes in accounting policies are explained in the relevant policy. Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP.

GRAP 1	Presentation of Financial Statements
GRAP 2	Cash Flow Statements
GRAP 3	Accounting Policies, Changes in Accounting Estimates and Errors
GRAP 5	Borrowing costs
GRAP 6	Consolidated and Separate Financial Statements
GRAP 7	Investments in Associates
GRAP 8	Investments in Joint Ventures
GRAP 9	Revenue from Exchange Transactions
GRAP 11	Construction contracts
GRAP 12	Inventories
GRAP 13	Leases
GRAP 14	Events after the Reporting Date
GRAP 16	Investment Property
GRAP 17	Property, Plant and Equipment
GRAP 19	Provisions, Contingent Liabilities and Contingent Assets
GRAP 21	Impairment of Non-cash generating Assets
GRAP 23	Revenue from Non-exchange Transactions (Taxes and Transfers)
GRAP 24	Presentation of Budget Information in Financial Statements
GRAP 25	Employee benefits
GRAP 26	Impairment of Cash- generating Assets
GRAP 27	Agriculture
GRAP 31	Intangible Assets
GRAP 100	Discontinued operations
GRAP 103	Heritage Assets
GRAP 104	Financial Instruments
GRAP 105	Transfers of Functions Between Entities Under Common Control
GRAP 106	Transfers of Functions Between Entities Not Under Common Control
GRAP 107	Mergers

List of effective Interpretations of the Standards of GRAP

IGRAP 1	Applying the Probability Test on Initial Recognition of Revenue (as revised in 2012)
IGRAP 2	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IGRAP 3	Determining whether an Arrangement Contains a Lease
IGRAP 4	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IGRAP 6	Loyalty Programmes
IGRAP 8	Agreements for the construction of assets from exchange transactions
IGRAP 13	Operating Leases - Incentives
IGRAP 14	Evaluating the substance of transactions involving the legal form of a lease
IGRAP 16	Intangible assets - Web site costs



Accounting Policies

The following approved guideline on the standards of GRAP was applied in disclosing information

Guide 1 Guideline on Accounting for Public Private Partnership.

The following approved not yet Effective Standard of GRAP was used to disclose Information:

GRAP 20 Related Party Disclosures

New Standards, Amendments and Interpretations to GRAP Standards Approved But Not yet Effective:

The following GRAP standards have been approved by the Accounting Standards Board and effective dates have been determined by the Minister as indicated below except where effective date has not been determined. The standards have not been early adopted nor an accounting policy developed by the Municipality. The impact on the application of the new Standards could not be reasonably estimable as at the reporting date and it is not anticipated that these Standards will have a significant impact on the Municipality.

IGRAP 17	Service Concession Arrangements Where a Grantor Controls a Significant Residual Interest in an Asset.
IGRAP 18	Recognition and derecognition of land
GRAP 109	Accounting by Principles and Agents
GRAP 20	Related Party Disclosures
GRAP 32	Service Concession Arrangement Grants
GRAP 34	Separate Financial Statements
GRAP 35	Consolidated Financial Statements
GRAP 36	Investment in Associate and Joint Venture
GRAP 37	Joint Arrangements
GRAP 38	Disclosure of Interest in other Entities
GRAP 108	Statutory Receivables
GRAP 109	Accounting by Principles and Agents
GRAP 110	Living and non-living Resources

Standards of GRAP used in developing an accounting policy

GRAP 32 Service Concession Arrangement
GRAP 108 Statutory Receivables

1.1 Presentation currency

These financial statements are presented in South African Rand, which is the functional currency of the municipality. The figures are rounded off to the nearest Rand.

1.2 Going concern assumption

These financial statements have been prepared based on the assumption that the municipality will continue to operate as a going concern and meet its statutory obligations for the foreseeable future.

1.3 Comparative information

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated. The nature and reason for the reclassification is disclosed. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. If a change in accounting policy results from initial application of a standard of GRAP that has specific transitional provisions, the municipality account for the change in accordance with the specific transitional provisions of that accounting standard.

Audited

By

2017 -11- 30

South Central South Africa
Accounting & Auditing Ltd

Accounting Policies

1.4 Property, plant and equipment

Initial recognition and measurement

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period. While there is no universally accepted definition of infrastructure assets, these assets usually display some or all of the following characteristics:

- (a) they are parts of a system or network;
- (b) they are specialised in nature and do not have alternative uses;
- (c) they are immovable; and
- (d) they may be subject to constraints on disposal.

The cost of an item of property, plant and equipment is recognised as an asset when:

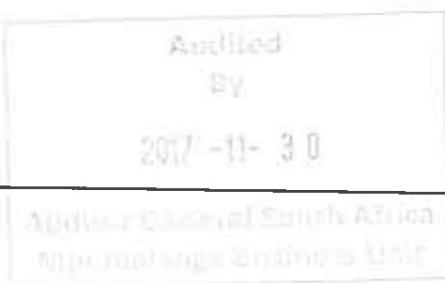
- it is probable that future economic benefits or service potential associated with the item will flow to the municipality; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.



City of Mbombela

(Registration number MP326)

Financial Statements for the 11 months ended 30 June 2017

Accounting Policies

1.4 Property, plant and equipment (continued)

Items such as spare parts, standby equipment and servicing equipment are recognised as property, plant and equipment when they meet the definition of property, plant and equipment.

Recognition of costs in the carrying amount of an item of property , plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management. Costs incurred in using or redeploying an item are not included in the carrying amount of that item.

The cost of an item of property, plant and equipment is the cash price equivalent at the recognition date. If the payment is deferred beyond normal credit terms , the difference between the cash price equivalent and the total payment is recognised as interest over the period of credit unless such interest is recognised in the carrying amount of the item in accordance with the Standard of GRAP on Borrowing Costs.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the Municipality is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Subsequent measurement

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses in accordance with the cost model. Land is not depreciated as it is deemed to have an indefinite useful life.

Where an asset is acquired through a non-exchange transaction , its cost shall be measured at fair value as at the date of acquisition.

Where the Municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component. Subsequent expenditure incurred on an item of Property, Plant and Equipment is capitalised when it meets the definition and recognition criteria of an asset.

Where the Municipality has an obligation to dismantle, remove and restore items of property, plant and equipment and the initial estimate was initially included in the cost of an item of property, plant and equipment, any changes in the liability are added to or deducted from, the cost of the related asset in the current period. If there is a decrease in the liability and it exceeds the carrying amount of the asset, the excess is recognised immediately in the statement of financial performance.

If there is a change in a provision for which the asset relates, and the change results in addition to the cost of an asset, the Municipality considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is an indication , the related asset is tested for impairment by estimating its recoverable amount or recoverable service amount and any impairment loss is recognised in accordance with the accounting policy on impairment of cash-generating assets or non-cash generating assets. If the related asset has reached the end of its useful life, any subsequent changes in the liability will be recognised in the statement of financial performance.

Depreciation

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The depreciation charge for each period shall be recognised in the statement of financial performance unless it is included in the carrying amount of another asset. The annual depreciation rates are based on the following estimated useful lives:

Item	Average useful life
Land and building	
• Land	Indefinite
• Buildings	30-40
• Landfill sites	10-85
Finance lease assets	
• Office equipment	3-15
• Other assets	3-10

City of Mbombela

(Registration number MP326)

Financial Statements for the 11 months ended 30 June 2017

Accounting Policies

1.4 Property, plant and equipment (continued)

Infrastructure

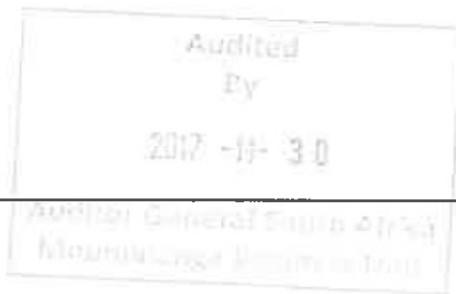
• Roads, pavement, bridges, and storm water	3-80
• Electrical	3-50
• Water	5-50
• Sanitation	5-50
• Information and communications	3-10
• Solid waste	10-50

Community

• Sport and Recreational facilities	25-40
• Parks	25-40
• Halls	25-40

Other property, plant and equipment

• Specialised vehicles	5-15
• Other vehicles	5-15
• Office equipment	3-15
• Furniture and fittings	5-15
• Bins and containers	5-10
• Specialised plant and equipment	5-20
• Other items of plant and equipment	5-10.
• Emergency equipment	5-10
• Computer equipment	3-10



City of Mbombela

(Registration number MP326)

Financial Statements for the 11 months ended 30 June 2017

Accounting Policies

1.4 Property, plant and equipment (continued)

Further detail on the useful lives of the categories of assets is detailed on the assets management policy, available for inspection at our offices.

The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate in accordance with Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors.

The municipality assesses at each reporting date whether there is any indication that the municipality's expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the municipality revise the expected useful life and/or residual value accordingly.

The residual value of an intangible asset with a finite useful life is assumed to be zero unless:

(a) there is a commitment by a third party to acquire the asset at the end of its useful life; or

(b) there is an active market for the asset and:

?residual value can be determined by reference to that market; and

?it is probable that such a market will exist at the end of the asset's useful life

The change(s) are accounted for as a change in an accounting estimate in accordance with the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors.

In assessing whether there is any indication that the expected useful life of an asset has changed, the municipality considers the following indications:

(a) The composition of the asset changed during the reporting period, i.e. the significant components of the asset changed.

(b) The use of the asset has changed, because of the following:

• The municipality has changed the manner in which the asset is used.

• The municipality has changed the utilisation rate of the asset.

• The municipality has made a decision to dispose of the asset in a future reporting period(s) such that this decision changes the expected period over which the asset will be used.

• Technological, environmental, commercial or other changes that occurred during the reporting period that have, or will, change the use of the asset.

• Legal or similar limits placed on the use of the asset have changed.

• The asset was idle or retired from use during the reporting period.

(c) The asset is approaching the end of its previously expected useful life.

(d) Planned repairs and maintenance on, or refurbishments of, the asset and/or its significant components either being undertaken or delayed.

(e) Environmental factors, e.g. increased rainfall or humidity, adverse changes in temperatures or increased exposure to pollution.

(f) There is evidence that the condition of the asset improved or declined based on assessments undertaken during the reporting period.

(g) The asset is assessed as being impaired in accordance with the Standards of GRAP on Impairment of Cash-generating Assets and Impairment of Non-cash-generating Assets.

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up is included in surplus or deficit when the compensation becomes receivable.

Derecognition

Items of Property, Plant and Equipment are derecognised when the asset is disposed of or when there are no further economic benefit or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

City of Mbombela

(Registration number MP326)

Financial Statements for the 11 months ended 30 June 2017

Accounting Policies

1.5 Intangible Assets

Initial recognition and measurement

An intangible asset is an identifiable non-monetary asset without physical substance.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality; and
- the cost or fair value of the asset can be measured reliably.

Internally generated intangible assets are subject to strict recognition criteria before they are capitalised. Research expenditure is never capitalised, while development expenditure is only capitalised to the extent that:

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance is not recognised as intangible assets

The municipality assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Intangible assets are initially recognised at cost. Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Subsequent measurement

Intangible assets are subsequently carried at cost less accumulated amortisation and impairments. The cost of an intangible asset is amortised over the useful life where that useful life is finite. Where the useful life is indefinite, the asset is not amortised but is subject to an annual impairment test, and the useful life is reviewed at each reporting date, if the useful life has changed from indefinite and definite, it is treated as a change in accounting estimate in Statement of Financial Performance.

Amortisation

The municipality assesses whether the useful life of an intangible asset is finite or indefinite and, if finite, the length of, or number of production or similar units constituting, that useful life. An intangible asset shall be regarded as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for, or provide service potential to the municipality.

The useful life of an intangible asset that arises from binding arrangements (including rights from contracts) shall not exceed the period of the binding arrangement, but may be shorter depending on the period over which the entity expects to use the asset. If the binding arrangements (including rights from contracts) are conveyed for a limited term that can be renewed, the useful life of the intangible asset shall include the renewal period(s) only if there is evidence to support renewal by the municipality without significant cost.

Amortisation is charged so as to write off the cost of intangible assets over their estimated useful lives using the straight line method. The amortisation rates are based on the following estimated average asset lives.

Item	Useful life
Computer software	5 - 20 years
Software Licences	1 - 3 years

City of Mbombela

(Registration number MP326)

Financial Statements for the 11 months ended 30 June 2017

Accounting Policies

1.5 Intangible Assets (continued)

Further detail on the useful lives of the categories of assets can be obtained from the assets management policy, available for inspection at our offices.

Each item of intangible asset is amortised separately. Rights consist mainly of servitude's. Rights are not amortised as they have an indefinite useful life. A servitude right is granted to the Municipality for an indefinite period. The life of the servitude will remain in force as the Municipality exercises its rights under such servitude's.

The depreciable amount of an intangible asset with a finite useful life is allocated on a systematic basis over its useful life. Amortisation begins when the asset is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Amortisation shall cease at the date that the asset is derecognised. The amortisation charge for each period shall be recognised in surplus or deficit unless this or another Standard permits or requires it to be included in the carrying amount of another asset.

The residual value of an intangible asset with a finite useful life is assumed to be zero unless:

(a) there is a commitment by a third party to acquire the asset at the end of its useful life; or
(b) there is an active market for the asset and:

- residual value can be determined by reference to that market; and
- it is probable that such a market will exist at the end of the asset's useful life

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each reporting date and any changes are recognised prospectively as a change in accounting estimate in the Statement of Financial Performance.

An intangible asset with an indefinite useful life shall not be amortised. The useful life of an intangible asset that is not being amortised shall be reviewed each reporting period to determine whether events and circumstances continue to support an indefinite useful life assessment for that asset. If they do not, the change in the useful life assessment from indefinite to finite shall be accounted for as a change in an accounting estimate in accordance with the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors.

Derecognition

Intangible assets are derecognised when the asset is disposed of or when there are no further economic benefit or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the sales proceeds and the carrying value and is recognised in the statement of financial position.

1.6 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for
- administrative purposes, or
- sale in the ordinary course of operations.

Owner-occupied property is property held for use in the production or supply of goods or services or for administrative purposes.

Initial recognition and measurement

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the municipality, and the cost or fair value of the investment property can be measured reliably.

At initial recognition, the Municipality measures investment property at cost including transaction costs once it meets the definition of investment property. However, where an investment property was acquired through a non-exchange transaction (i.e. where it acquired the investment property for no or a nominal value), its cost is its fair value as at the date of acquisition. The cost of self-constructed investment property is the cost at date of completion.

City of Mbombela

(Registration number MP326)

Financial Statements for the 11 months ended 30 June 2017

Accounting Policies

1.6 Investment property (continued)

Subsequent measurement

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Investment property is subsequently measured using the cost model. Under the cost, Investment property is carried at cost less accumulated depreciation and any accumulated impairment losses.

Transfers to, or from, investment property is made when, and only when, there is a change in use, evidenced by:

- commencement of owner-occupation, for a transfer from investment property to owner-occupied property;
- commencement of development with a view to sale, for a transfer from investment property to inventories;
- end of owner-occupation, for a transfer from owner-occupied property to investment property; or
- commencement of an operating lease (on a commercial basis) to another party, for a transfer from inventories to investment property

Depreciation

Depreciation is calculated on the depreciable amount, using the straightline method over the estimated useful lives of the assets. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The annual depreciation rates are based on the following estimated average asset lives.

Item	Useful life
Property - land	indefinite
Property - buildings	15 - 30 years

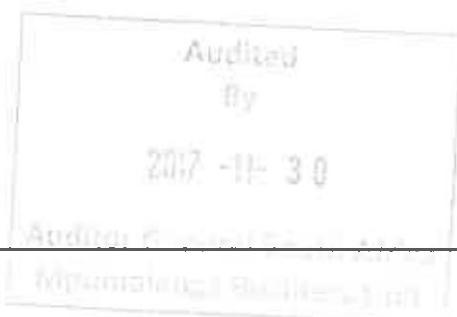
Further detail on the useful lives of the categories of assets is detailed on the assets management policy, available for inspection at our offices.

Derecognition

An investment property is derecognised on disposal including disposal through non-exchange transactions or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

Compensation from third parties for investment property that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

Gains or losses arising from the retirement or disposal of investment property is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Financial Performance.



City of Mbombela

(Registration number MP326)

Financial Statements for the 11 months ended 30 June 2017

Accounting Policies

1.7 Heritage assets

Initial recognition and measurement

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

The municipality recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the municipality, and the cost or fair value of the asset can be measured reliably.

The Municipality holds an asset that might be regarded as a heritage asset but on initial recognition, it does not meet the recognition criteria of a heritage asset because it cannot be reliably measured, relevant and useful information about the asset shall be disclosed in the notes to the financial statements.

The municipality uses judgment to assess the degree of certainty attached to the flow of future economic benefits or service potential that are attributable to the heritage asset on the basis of the evidence available at the time of initial recognition.

An asset that has met the recognition requirement criteria for heritage assets shall be measured at its cost less any accumulated impairment losses if such an asset has been acquired through an exchange transaction.

Where a heritage asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

The cost of the heritage asset is the cash price equivalent at the recognition date. If the payment is deferred beyond normal credit terms, the difference between the cash price equivalent and the total payment is recognised as interest over the period of credit, unless such interest is recognised in the carrying amount of the heritage asset in accordance with the standard of GRAP on borrowing costs.

Costs incurred to enhance or restore the heritage asset to preserve its indefinite useful life is capitalised as part of its cost. Such costs is recognised in the carrying amount of the heritage asset as incurred, when the recognition criteria is met.

Impairment

The municipality assess at each reporting date whether there is an indication that it may be impaired. If any such indication exists, the municipality estimates the recoverable amount or the recoverable service amount of the heritage asset.

Transfers

Transfers from heritage assets are only made when the particular asset no longer meets the definition of a heritage asset. Transfers to heritage assets are only made when the asset meets the definition of a heritage asset.

Derecognition

The municipality derecognises heritage asset on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset is included in surplus or deficit when the item is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).

Compensation from third parties for heritage assets that have been impaired, lost or given up, shall be included in surplus or deficit when the compensation becomes receivable.

1.8 Discontinued Operations

Discontinued operation is a component of an municipality that has been disposed of and:

- represents a distinguishable activity, group of activities or geographical area of operations;
- is part of a single co-ordinated plan to dispose of a distinguishable activity, group of activities or geographical area of operations; or
- is a controlled municipality acquired exclusively with a view to resale.

A component of an municipality is the operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the municipality.

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1.8 Discontinued Operations (continued)

In disposing a component, the municipality may dispose of the assets and liabilities (if any) either individually or in small groups. The effect is that the settlement of the liabilities may occur over a period of time. The disposal must occur within a single co-ordinate plan in order to qualify as a discontinued operations.

The municipality may dispose of a component without being sold or transferred to another municipality. Components disposed off in this way are disposed of through abandonment. An abandoned component would be a discontinued operation if it otherwise satisfies the criteria in the definition of a discontinued operation.

An abandoned component would be a discontinued operation if it otherwise satisfies the criteria in the definition of a discontinued operation.

1.9 Inventories

Inventories are assets:

- (a) in the form of materials or supplies to be consumed in the production process.
- (b) in the form of materials or supplies to be consumed or distributed in the rendering of services.
- (c) held for sale or distribution in the ordinary course of operations.
- (d) in the process of production for sale or distribution

Initial recognition and measurement

Inventories are recognised as an asset if it is probable that future economic benefits or service potential associated with the item will flow to the Municipality and the cost of the inventories can be measured reliably.

Inventories that qualify for recognition as assets are initially recognised at cost. The cost of inventories comprises of all costs purchase cost of conversion and other costs incurred in bringing the inventories to its present location and condition. Where inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

When inventories are acquired through a non-exchange transaction, its cost shall be measured at its fair value as at the date of acquisition.

Subsequent measurement

Inventories, consisting of consumable stores, raw materials, work-in-progress and finished goods, are measured at the lower of cost and net realisable value unless they are to be distributed at no or nominal charge or to be consumed in the production process of goods to be distributed at no charge or for a nominal charge, in which case they are measured at the lower of cost and current replacement cost.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Redundant and slow-moving inventories are identified and written down in this way. Differences arising on the valuation of inventory are recognised in the Statement of Financial Performance in the year in which they arose. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

In general, the basis of allocating cost to inventory items is the first-in, first-out method or the weighted average method.

1.10 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one municipality and a financial liability or a residual interest of another municipality.

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1.10 Financial instruments (continued)

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

A concessionary loan is a loan granted to or received by an municipality on terms that are not market related.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- It is settled at a future date.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an municipality shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the municipality shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another municipality; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the municipality.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an municipality in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

A residual interest is any contract that manifests an interest in the assets of an municipality after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:

- equity instruments or similar forms of unitised capital;

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Accounting Policies

1.10 Financial instruments (continued)

- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an municipality's net assets, either before the contribution occurs or at the time of the contribution; or
- a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an municipality.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the municipality had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the municipality designates at fair value at initial recognition; or
- are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- derivatives;
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
 - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
 - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
 - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
 - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

Initial recognition

The municipality recognises a financial asset or a financial liability in its statement of financial position when the municipality becomes a party to the contractual provisions of the instrument. Financial assets are recognised through the application of trade date accounting.

Upon initial recognition the Municipality classifies financial instruments or their component parts as financial liabilities, financial assets or residual interests in conformity with the substance of the contractual arrangement and to the extent that the instrument satisfies the definitions of a financial liability, a financial asset or a residual interest.

The Municipality measures financial instruments that are designated at fair value on recognition at its fair value at the date of recognition. Financial Instruments designated at amortised cost and those designated at cost are initially measured, at the date of recognition, at its fair value plus transaction costs directly attributable to the acquisition or issue of the instrument.

The classification of financial assets depends on their nature and purpose, and is determined at the date of initial recognition.

Initial measurement of financial assets and financial liabilities

The municipality measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

The municipality measures a financial asset and financial liability initially at its fair value [if subsequently measured at fair value].

The municipality first assesses whether the substance of a concessionary loan is in fact a loan. On initial recognition, the municipality analyses a concessionary loan into its component parts and accounts for each component separately. The municipality accounts for that part of a concessionary loan that is:

- a social benefit in accordance with the Framework for the Preparation and Presentation of Financial Statements, where it is the issuer of the loan; or
- non-exchange revenue, in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers), where it is the recipient of the loan.

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Accounting Policies

1.10 Financial instruments (continued)

Subsequent measurement of financial assets and financial liabilities

The municipality measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost.
- Financial instruments at cost.

Fair value measurement considerations

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the municipality establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the entity uses that technique.

The chosen valuation technique makes maximum use of market inputs and relies as little as possible on entity-specific inputs. It incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Periodically, an municipality calibrates the valuation technique and tests it for validity using prices from any observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on any available observable market data.

The fair value of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand, discounted from the first date that the amount could be required to be paid.

Financial assets

Financial assets at fair value

These comprise of non-derivative financial assets with fixed or determinable payments. Subsequent to initial recognition such assets are measured at amortised cost using the effective interest method less any impairment and/or plus reversal of impairment.

Financial assets at amortised cost

These comprise of financial assets held for trading, derivative financial assets, non-derivative financial assets designated at fair value and investments in residual interest for which fair value can be measured reliably. Subsequent to initial recognition all changes to fair value are recognised through the statement of financial performance.

Financial assets at cost

These comprise of investments in residual interest that does not have a quoted market price in an active market and the fair value cannot be measured reliably. Subsequent to initial recognition such investments are measured at its carrying amount less any impairment.

Impairment of financial assets

Financial assets other than those held at fair value are assessed for impairment at the end of each reporting period. Impairment is considered when there is objective evidence that, as a result of events occurred after initial recognition of the asset, the expected value to be derived from the asset have been materially reduced. The Municipality recognise impairment losses or impairment reversals in the statement of financial performance during the financial year in which the loss or reversal occurred.

Financial assets are derecognised when rights to receive cash flows from an asset have expired or have been transferred to another party or the Municipality loses control of contractual rights such that the Municipality no longer retain significant risks and rewards associated with ownership.

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Accounting Policies

1.10 Financial instruments (continued)

Accounts receivables

Receivables are initially recognised at its fair value. Bad debts are written off in the year in which they are identified as irrecoverable, subject to approval by appropriate delegated authority. Amounts receivable within 12 months from the date of reporting are classified as current. A provision for impairment of receivables is established when there is objective evidence that the Municipality will not be able to collect all amounts due according to the initial terms receivables. The amount of the provision is that difference between the asset's carrying amount and its present value of estimated future cash flows, discounted at the initial effective interest rate. An estimate of doubtful debts is made at the end of each reporting period taking into consideration past default experiences. Interest is charged on overdue amounts.

Cash and cash equivalents

Cash and cash equivalents are measured at amortised cost. Cash includes cash on hand and cash with banks. Cash equivalents are short-term highly liquid investments that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and deposits held on call with banks.

Financial liabilities

Trade and other payables

After initial recognition, the Municipality measures all financial liabilities, including payables at amortised cost using the effective interest rate method. Financial liabilities include borrowings, other non-current liabilities and payables and exclude provisions. Finance charges, including premiums payable, are accounted for on an accrual basis.

Gains and losses

The municipality recognise gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit. For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

Derecognition

Financial assets

Financial assets are derecognised when rights to receive cash flows from an asset have expired or have been transferred to another party or the Municipality loses control of contractual rights such that the Municipality no longer retain significant risks and rewards associated with ownership.

Financial liabilities

Financial liabilities are derecognised when the obligation specified in the contract is discharged or cancelled or when it expires.

1.11 Provisions and contingencies

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date. Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation. The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

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Financial Statements for the 11 months ended 30 June 2017

Accounting Policies

1.11 Provisions and contingencies (continued)

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision.

Subsequent changes in the measurement of provisions relating to rehabilitation of landfill sites as a result of change in estimated cash flows required to settle the obligation will result in increased carrying amounts of the landfill sites to which the provision relates. The adjusted depreciable amount of the landfill sites will be depreciated over the remaining useful life of the landfill site. Once the landfill site has reached the end of its useful life, all subsequent changes in the value of the liability will be recognised in the statement of financial performance.

Decommissioning, restoration and similar liability

Changes in the measurement of an existing decommissioning, restoration and similar liability that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits or service potential required to settle the obligation, or a change in the discount rate, is accounted for as follows:

If the related asset is measured using the cost model:

- changes in the liability is added to, or deducted from, the cost of the related asset in the current period.
- the amount deducted from the cost of the asset does not exceed its carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit.
- if the adjustment results in an addition to the cost of an asset, the entity consider whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If there is such an indication, the entity test the asset for impairment by estimating its recoverable amount or recoverable service amount, and account for any impairment loss, in accordance with the accounting policy on impairment of assets as described in accounting policy 1.22 and 1.23.

The adjusted depreciable amount of the asset is depreciated over its useful life. Therefore, once the related asset has reached the end of its useful life, all subsequent changes in the liability is recognised in surplus or deficit as they occur. This applies under both the cost model and the revaluation model.

The periodic unwinding of the discount is recognised in surplus or deficit as a finance cost as it occurs.

The Municipality does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is disclosed where an inflow of economic benefits is probable.

A contingent liability is a possible obligation whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Municipality

1.12 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Lease classification is made at the inception of the lease.

Finance leases - lessor

The municipality recognises finance lease receivables as assets on the statement of financial position. Such assets are presented as a receivable at an amount equal to the net investment in the lease.

Finance revenue is recognised based on a pattern reflecting a constant periodic rate of return on the municipality's net investment in the finance lease.

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1.12 Leases (continued)

Finance leases - lessee

The Municipality recognise assets acquired under finance leases as assets and the associated lease obligations as liabilities in the statement of financial position. The assets and liabilities are recognised at amounts equal to the fair value of the leased property or if lower the present value of the minimum lease payments as determined at inception of the lease. The discount rate to be used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease, if it is practicable to determine however if not, the incremental borrowing rate shall be used. Any initial direct costs of the Municipality are added to the amount recognised as an asset.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant, equipment or intangibles. The lease liability is reduced by the lease payments, which are allocated between the lease finance expenses and the capital repayment using the effective interest rate method. Lease finance expenses are expensed when incurred. The accounting policies relating to derecognition of financial instruments are applied to lease payables. The lease asset is depreciated over the shorter of the asset's useful life or the lease term.

Operating leases - lessor

Assets subject to operating leases are presented in the statement of financial position according to the nature of the asset.

Lease revenue from operating leases is recognised as revenue on a straight-line basis over the lease term.

Initial direct costs incurred by the Municipality in negotiating and arranging an operating lease is added to the carrying amount of the leased asset and recognised as expenses over the lease term on the same basis as the lease revenue.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.13 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Revenue from exchange transactions refers to revenue that accrued to the Municipality directly in return for services rendered / goods sold, the value of which approximates the consideration received or receivable.

Revenue is measured at the fair value of the consideration received or receivable , net of trade discounts and volume rebates.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Sale of goods

Revenue from the sale of goods shall be recognised when all the following conditions have been satisfied:

- the entity has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably

Revenue from the sale of erven is recognised when all conditions associated with the deed of sale have been met.

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Accounting Policies

1.13 Revenue from exchange transactions (continued)

Service charges

Service charges relating to electricity and water which are based on consumption are metered and an estimate of consumption between the latest meter reading and the reporting date shall be recognised when:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality.

Meters are read on a monthly basis and the revenue is recognised when invoiced. Provisional estimates of consumptions are made monthly when meter readings have not been performed and are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made when recognised in the statement of financial performance in the invoicing period in which meters have been read. In respect of estimates of consumption between the last reading date and the reporting date, an accrual is made based on the average monthly consumption of consumers.

Revenue from the sale of electricity prepaid meter credit is recognised at the point of sale. An adjustment for an unutilised portion is made at year-end, based on average consumption history.

Service charges relating to refuse removal are recognised on a monthly basis by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage and are levied monthly based on the number of refuse containers on each property, regardless of whether or not containers are emptied during the month.

Service charges from sewerage and sanitation are based on the size of the property, number of dwellings on each property and connection, using the tariffs approved by Council and are levied monthly.

Revenue from rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

Interest

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality, and
- The amount of the revenue can be measured reliably.

Interest is recognised in the statement of financial performance using the effective interest rate method.

Agency services

Income for agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified. The revenue recognised by the Municipality is in terms of the agency agreement and is limited to the amount of any fee or commission payable to the Municipality as compensation for executing the agreed services.

Collection charges are recognised when such amounts are incurred.

1.14 Revenue from non-exchange transactions

Revenue from non-exchange transactions refers to transactions between one or more parties where the Municipality received revenue from another Municipality without directly giving approximately equal value in exchange. Revenue from non-exchange transaction is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and satisfy the recognition criteria.

An inflow of resources from non-exchange transaction that meets the definition of an asset is recognised as an asset when it is probable that future economic benefits or service potential associated with the asset will flow to the Municipality and the fair value of the asset can be measured reliably.

Revenue from non-exchange transactions is measured at the amount of the increase in net assets recognised.

An asset acquired through a non-exchange transaction is initially measured at fair value as at the date of acquisition.

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

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1.14 Revenue from non-exchange transactions (continued)

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and/or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

Taxes

Taxes are economic benefits or service potential compulsory paid or payable to the Municipality, in accordance with the laws and/or regulations, established to provide revenue to the Municipality. Taxes do not include fines or other penalties imposed for breaches of the law.

The Municipality recognises an asset in respect of taxes when the taxable event occurs and the asset recognition criteria are met.

Property rates

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Rebates are respectively granted, to owners of land on which not more than two dwelling units are erected provided that such dwelling units are solely used for residential purposes. Additional relief is granted to needy, aged and/or disabled owners, based on income. The rebates granted are deducted from revenue.

Property rates revenue is recognised once a rates account has been issued to ratepayers. Adjustments or interim rates are recognised once the municipal valuer has valued the change to properties.

Transfers

Transfers are inflows of future economic benefits or service potential from non-exchange transactions other than taxes.

The Municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Fines

Fines are economic benefits or service potential received or receivable to the Municipality from an individual or another Municipality, as determined by a court or other law enforcement body, as a consequence of the individual or another Municipality breaching the requirements of laws and regulations. Control of the traffic fine is demonstrated through the existence of an enforceable claim.

Fines constitute notices of intended prosecution- section 341 spot fines and written notices (summons- section 56 of the Criminal Procedures Act, 51 of 1977).

Initial recognition and measurement

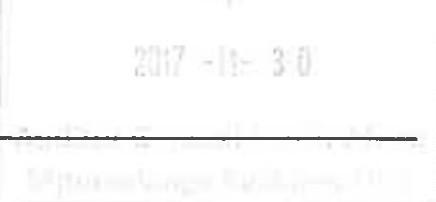
Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition of an asset.

Assets arising from fines are measured at the best estimate of the inflow of resources to the Municipality.

Subsequent measurement

Subsequently assets arising from the receivables from traffic fines are impaired based on the collection trends of the previous financial years.

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1.14 Revenue from non-exchange transactions (continued)

Government grants and donations

Government Grants can be in the form of grants to acquire or construct fixed assets (capital grants), grants for the furtherance of national and provincial government policy objectives and general grants to subsidise the cost incurred by municipalities rendering services.

Capital grants and general grants for the furtherance of government policy objectives are usually restricted revenue in that stipulations are imposed in their use.

Conditional grants, donations and funding were recognised as revenue in the Statement of Financial Performance to the extent that the Municipality has complied with any criteria, conditions or obligations embodied in the agreement/arrangement. To the extent that the criteria, conditions and obligations have not been met a liability is raised in the Statement of Financial Position. Unconditional grants, donations and funding are recognised as revenue in the Statement of Financial Position at the earlier of the date of receipt or when the amount is receivable.

Contributed assets are recognised at fair value when the risks and rewards associated with such asset transfer to the Municipality.

Services in-kind

Except for financial guarantee contracts, the municipality recognise services in-kind that are significant to its operations and/or service delivery objectives as assets and recognise the related revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

Where services in-kind are not significant to the municipality's operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the municipality disclose the nature and type of services in-kind received during the reporting period.

The municipality recognise services in-kind that are significant to its operations and/or service delivery objectives as assets and recognise the related revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

Where services in-kind are not significant to the municipality's operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the municipality disclose the nature and type of services in-kind received during the reporting period.

Concessionary loans

Concessionary loans are loans received by entities at below market terms. The portion of the loan that is repayable, along with any interest payments, is an exchange transaction and is accounted for in accordance with the Standard on Financial Instruments. The off-market portion of the loan is a non-exchange transaction and is accounted for in accordance with this Standard.

The off-market portion of the loan that is recognised as non-exchange revenue is calculated as the difference between the proceeds received from the loan, and the present value of the contractual cash flows of the loan, discounted using a market related rate of interest. The recognition of revenue is determined by the nature of any conditions that exist in the loan agreement that may give rise to a liability. Where a liability exists the municipality recognises revenue as and when it satisfies the conditions of the loan agreement.

1.15 Borrowing costs

Borrowing costs are interest and other expenses incurred by the municipality in connection with the borrowing of funds.

The municipality recognise all borrowing costs as an expense in the period in which they are incurred.

1.16 Employee benefits

Employee benefits are all forms of consideration given by a Municipality in exchange for service rendered by employees.

Termination benefits are employee benefits payable as a result of either:

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1.16 Employee benefits (continued)

- an Municipality's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Vested employee benefits are employee benefits that are not conditional on future employment.

Composite social security programmes are established by legislation and operate as multi-employer plans to provide post-employment benefits as well as to provide benefits that are not consideration in exchange for service rendered by employees.

A constructive obligation is an obligation that derives from an Municipality's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the Municipality has indicated to other parties that it will accept certain responsibilities and as a result, the Municipality has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

When an employee has rendered service to the entity during a reporting period, the entity recognise the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the Municipality recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The Municipality measure the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Municipality recognise the expected cost of bonus, incentive and performance related payments when the Municipality has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

The cost of short-term employee benefits, which include salaries and wages, short-term compensated absences, non-monetary benefits such as medical aid and performance plans, are expensed in the Statement of Financial Performance in the financial year during which the payment is made.

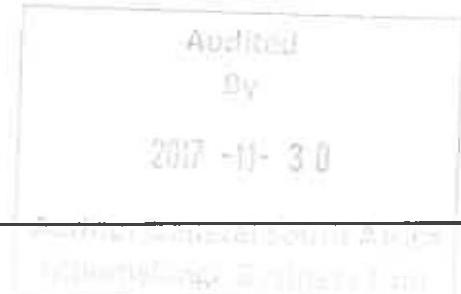
Liabilities for short-term employee benefits that are unpaid at year-end are measured at the undiscounted amount that the Municipality is expected to pay in exchange for that service that had accumulated at the reporting date.

Post-employment benefits

The Municipality provides post employment benefits for its employees and councillors. These benefits are provided as either defined contribution plans or defined benefit plans.

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which a Municipality provides post-employment benefits for one or more employees.



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Accounting Policies

1.16 Employee benefits (continued)

Post-employment benefits: Defined benefit plans

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

The Municipality provide post employment medical care benefits to retired employees and their legitimate spouses. The entitlement to post employment medical benefits is based on employees remaining in service up to retirement age and the completion of a minimum service period. The expected cost, of these benefits is accrued over the period of employment.

Pursuant to the Municipality's obligation to fund the post-employment benefits provided through a defined benefit plan, the Municipality recognises a defined benefit obligation or asset with reference to the fund's financial position. To the extent that the future benefits payable under the fund exceeds the value assets held to finance those benefits, the Municipality recognises as defined benefit obligation. To the extent that the value of plan assets exceeds the future benefits payable by the fund the Municipality recognises as defined benefit asset.

The defined benefit asset or obligation recognised is recognised as the net difference between the value of the plan assets and plan liabilities and also taking past service cost into consideration.

Actuarial valuations are conducted on an annual basis by independent actuaries for each plan.

Actuarial gains and losses comprise experience adjustments (the effect of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in the actuarial assumptions. Actuarial gains and losses are recognised in full in the Statement of Financial Performance in the year that they occur.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service cost may be either positive (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative (when existing benefits are changed so that the present value of the defined benefit obligation decreases). In measuring its defined benefit liability the Municipality recognise past service cost as an expense in the reporting period in which the plan is amended.

Where the Municipality reduces benefits payable under an existing defined benefit plan , the resulting reduction in the defined benefit liability is recognised as (negative) past service cost in the reporting period in which the plan is amended.

Where the Municipality reduces certain benefits payable under an existing defined benefit plan and, at the same time, increases other benefits payable under the plan for the same employees , the Municipality treats the change as a single net change.

Interest cost is the increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to settlement.

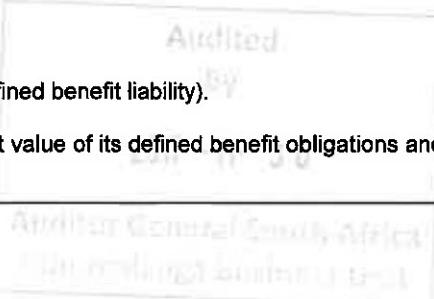
The amount recognised as a defined benefit liability is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly;
- plus any liability that may arise as a result of a minimum funding requirement

The Municipality recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement rights;
- actuarial gains and losses;
- past service cost;
- the effect of any curtailments or settlements; and
- the effect of applying the limit on a defined benefit asset (negative defined benefit liability).

The Municipality uses the Projected Unit Credit Method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost.



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Accounting Policies

1.16 Employee benefits (continued)

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflect the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

Termination benefits

Termination benefits are recognised when actions have been taken to indicate that the Municipality is demonstrably committed to either terminate the employment of an employee or group of employees before the normal retirement date; or provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

1.17 Unauthorised expenditure

Unauthorised expenditure means overspending of a vote, expenditure that has not been budgeted for and expenditure not in terms of the conditions of an allocation received from another sphere of government, Municipality or organ of state. Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and when recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.18 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

Irregular expenditure has been incurred for the 2016 / 2017 financial year

1.19 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and when recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

Fruitless and wasteful expenditure has been incurred for the 2016 / 2017 financial year

1.20 Value Added Tax (VAT)

The municipality accounts for value added tax on the payment basis.

1.21 Budget information

The approved budget is prepared on a accrual basis and presented by economic classification linked to performance outcome objectives.

The annual budget figures have been presented in accordance with the GRAP reporting framework. A separate statement of comparison of budget and actual amounts, which forms part of the annual financial statements has been prepared. The comparison of budget and actual amount will be presented on the same accounting basis, same classification basis and for the same Municipality and period as for the approved budget. The budget is prepared on the accrual basis. The budget of the Municipality is taken for a stakeholder consultative process and upon approval, the approved budget is made publicly available.

Material differences in terms of the basis, timing or entity have been disclosed in the notes to the annual financial statements.

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Accounting Policies

1.21 Budget information (continued)

The most recent approved budget by Council is the final budget for the purpose of comparison with the actual amounts.

The approved budget relates to the fiscal period of 11 August 2016 to 30 June 2017.

1.22 Impairment of cash-generating assets

Cash-generating assets are those assets held by the municipality with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

Impairment loss is the amount by which the carrying amount of an asset exceeds its recoverable amount.

The Municipality assesses at each reporting date whether there is any indication that cash generating assets may be impaired. If any such indication exists, the recoverable amount of the asset is determined in order to establish the extent of impairment loss (if any).

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

The discount rate used is a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows has not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in surplus or deficit to the Statement of Financial Performance.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss is recognised immediately in surplus or deficit to the Statement of Financial Performance.

When the amount estimated for an impairment loss is greater than the carrying amount of the cash-generating asset to which it relates, the Municipality recognises a liability only to the extent that is a requirement in the Standard of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Reversal of impairment loss

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

1.23 Impairment of non-cash-generating assets

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The Municipality assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the Municipality estimates the recoverable service amount of the asset.

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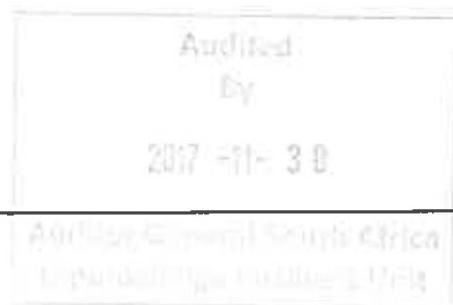
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Accounting Policies

1.23 Impairment of non-cash-generating assets (continued)

Irrespective of whether there is any indication of impairment, the Municipality also test a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount.

This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.



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Accounting Policies

1.23 Impairment of non-cash-generating assets (continued)

Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

The present value of the remaining service potential of a non-cash-generating assets is determined using the following approach:

Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the municipality would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

Restoration cost approach

Restoration cost is the cost of restoring the service potential of an asset to its pre-impaired level. The present value of the remaining service potential of the asset is determined by subtracting the estimated restoration cost of the asset from the current cost of replacing the remaining service potential of the asset before impairment. The latter cost is determined as the depreciated reproduction or replacement cost of the asset, whichever is lower.

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Accounting Policies

1.23 Impairment of non-cash-generating assets (continued)

Service units approach

The present value of the remaining service potential of the asset is determined by reducing the current cost of the remaining service potential of the asset before impairment, to conform to the reduced number of service units expected from the asset in its impaired state. The current cost of replacing the remaining service potential of the asset before impairment is determined as the depreciated reproduction or replacement cost of the asset before impairment, whichever is lower.

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit to the statement of financial performance.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the Municipality recognises a liability only to the extent that is a requirement in the Standards of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

The Municipality assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the Municipality estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Redesignation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.

1.24 Related parties

The Municipality has processes and controls in place to aid in the identification of related parties. Parties are considered to be related if one party directly or indirectly has the ability to control or jointly control the other party or exercise significant influence over the other party or vice versa.

Management are those persons responsible for planning, directing and controlling the activities of the municipality, including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions.

Management is regarded as a related party and comprises councillors, Executive Mayor, Mayoral Committee members, Municipal Manager, Deputy Municipal Manager and General Managers.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the municipality. As a minimum, a person is considered to be a close member of the family of another person if they:

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Accounting Policies

1.24 Related parties (continued)

- Are married or live together in a relationship similar to a marriage
- separated by no more than two degrees of natural or legal consanguinity or affinity.

Related party transactions are disclosed in the notes to the annual financial statements. Related party transactions where control exists shall be disclosed irrespective of whether there have been transactions between the related parties.

1.25 Grant in aid

The Municipality transfers funds to individuals, organisations, societies and other sectors of government from time to time in accordance with the local government prescripts.

When the transfers are made, the Municipality does not:

- receive any goods or services directly in return, as would be expected in an acquisition or sale transaction;
- expect to be repaid in future; or
- expect a financial return, as would be expected from an investment.

The transfers are recognised in the Statement of Financial Performance as expenses in the period that the event giving rise to the transfer occurred.

1.26 Changes in accounting policy, accounting estimates and correction of error

Changes in accounting policies are applied retrospectively in accordance with the requirements of Generally Recognised Accounting Practice (GRAP) 3, except to the extent that it is impractical to determine the period specific effects or the cumulative effect of the change in accounting policy. In such instances the Municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which the retrospective restatement is practical.

Changes in accounting estimates are applied prospectively in accordance with the requirements of Generally Recognised Accounting Practice (GRAP) 3. The detailed information of the change in accounting estimates is disclosed in the notes to the annual financial statements

Correction of errors is applied retrospectively in the period to which the error has occurred in accordance with the requirements of Generally Recognised Accounting Practice (GRAP) 3, except to the extent that it is impractical to determine the period specific effects or the cumulative effect of the error. In such instances the Municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which the retrospective restatement is practical.

1.27 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The municipality will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date.

The Municipality does not adjust the amounts recognised in the financial statements to reflect non-adjusting events after the reporting date. If the Municipality receives information after the reporting date but before the financial statements are authorised for issue, about conditions that existed at the reporting date, the disclosure that relate to those conditions shall be updated in light of the new information.

1.28 Capital commitments

Capital commitments disclosed in the notes to the financial statements represents the balance committed to capital projects as at the reporting date which will be incurred in the period subsequent to the reporting period.

The municipality discloses commitments inclusive of VAT per the commitments register.

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Accounting Policies

1.29 Key sources of estimation uncertainty and judgements

The following areas involve a significant degree of estimation uncertainty:

- Useful lives and residual values of property, plant, and equipment
- Recoverable amounts and/ recoverable service amounts of property, plant and equipment
- Provision for rehabilitation of landfill sites (discount rate used)
- Present value of defined benefit obligation
- Impairment allowance/ Debt impairment
- Impairment of cash-generating and non cash-generating assets
- Provision for long service awards

The following areas involved judgements, apart from those involving estimations disclosed above, that management has made in the process of applying the Municipality's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

- Impairment of cash-generating and non cash-generating assets
- Provisions

1.30 Mergers

Identifying the combined Municipality and combining entities

For each merger a combined municipality and combining entities is identified. All relevant facts and circumstances are considered in identifying the combined municipality and combining municipality.

The binding arrangement usually sets out which entities are to be combined as a result of the merger, and identifies the new reporting municipality after the merger.

Determining the merger date

The combined municipality and the combining entities identify the merger date, which is the date on which the new reporting municipality obtains control of the assets and liabilities and the combining entities loses control of their assets and liabilities.

All relevant facts and circumstances are considered in identifying the merger date.

Assets acquired [transferred] and liabilities assumed [derecognised]

The recognition of assets and liabilities by the entity as combined entity are subject to the following conditions:

The assets and liabilities that qualify for recognition in a merger are part of what had been agreed in terms of the binding arrangement, rather than the result of separate transactions.

Other criteria for the Municipality (as the combined Municipality)

The assets and liabilities that quality for recognition as set out in the binding arrangement meets the definitions of assets and liabilities in the Framework for the Preparation and Presentation of Financial Statements and the recognition criteria in the applicable Standards of GRAP at the merger date.

Costs that the entity expects but which the municipality is not obliged to incur in the future to effect its plan to exit an activity of the combining entities or to terminate the employment of, or relocate the combining entities' employees, is not be accounted for as part of the liabilities at the merger date. The entity does not recognise those costs as part of a merger. Instead, the municipality recognises these costs in its financial statements after the merger has occurred, in accordance with the applicable Standards of GRAP.

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Accounting Policies

1.30 Mergers (continued)

Accounting by the Municipality as the combined Municipality

Initial recognition and measurement

As of the merger date, the municipality recognises all the assets acquired and liabilities assumed. The assets acquired and liabilities assumed are measured at their carrying amounts.

If, prior to the merger, a combining municipality was not applying the accrual basis of accounting, that combining municipality changes its basis of accounting to the accrual basis of accounting prior to the merger.

The difference between the carrying amounts of the assets acquired and the liabilities assumed is recognised in accumulated surplus or deficit.

Measurement period

If the initial accounting for a merger is incomplete by the end of the reporting period in which the merger occurs, the municipality reports in its financial statements provisional amounts for the items for which the accounting is incomplete. During the measurement period, the municipality retrospectively adjust the provisional amounts recognised at the merger date to reflect new information obtained about facts and circumstances that existed as of the merger date and, if known, would have affected the measurement of the amounts recognised as of that date. The measurement period ends as soon as the municipality receives the information it was seeking about facts and circumstances that existed as of the merger date or learns that more information is not obtainable. However, the measurement period does not exceed two years from the merger date.

The municipality considers all relevant factors in determining whether information obtained after the merger date should result in an adjustment to the provisional amounts recognised or whether that information results from events that occurred after the merger date. Relevant factors include the date when additional information is obtained and whether the municipality can identify a reason for a change to provisional amounts.

The municipality recognises an increase (decrease) in the provisional amount recognised for an asset (liability) by means of decreasing (increasing) the excess of the purchase consideration paid over the carrying amount of the assets acquired and liabilities assumed previously recognised in accumulated surplus or deficit.

During the measurement period, the municipality recognises adjustments to the provisional amounts as if the accounting for the merger had been completed at the merger date. Thus, the municipality revises comparative information for prior periods presented in financial statements as needed, including making any change in depreciation, amortisation or other income effects recognised in completing the initial accounting.

After the measurement period ends, the municipality revises the accounting for a merger only to correct an error in accordance with the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors.

Expenditure incurred in relation to the merger

Expenditures incurred in relation to the merger are costs that the entity incurs to effect the merger. These costs include advisory, legal, accounting and other professional or consulting fees, general administrative costs, costs to furnish information to owners of the combining entities, and salaries and other expenses related to services of employees involved in achieving the merger. It also includes costs or losses incurred in combining the assets and liabilities of the combining entities. The municipality accounts for such expenditure as expenses in the period in which the costs are incurred.

Subsequent measurement

The municipality subsequently measures any assets acquired and any liabilities assumed in a merger in accordance with the applicable Standards of GRAP.

At the merger date, the municipality classifies or designates the assets acquired and liabilities assumed as necessary to apply other Standards of GRAP subsequently. The municipality makes those classifications or designations on the basis of the terms of the binding arrangement, economic conditions, the operating or accounting policies and other relevant conditions as these exist at the merger date. An exception is that the municipality classifies the following contracts on the basis of the contractual terms and other factors at the inception of the contract (or, if the terms of the contract have been modified in a manner that would change its classification, at the date of that modification, which might be the merger date):

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1.30 Mergers (continued)

- classification of a lease contract as either an operating lease or a finance lease in accordance with the Standard of GRAP on Leases; and
- classification of a contract as an insurance contract in accordance with the International Financial Reporting Standard on Insurance Contracts.

The financial statements of the municipality are prepared using uniform accounting policies for similar transactions and other events or similar circumstances.

1.31 Transfer of functions between entities not under common control

Identifying the acquirer and acquiree

For each transfer of functions between entities not under common control one of the combining entities is identified as the acquirer. Determining the acquirer include a consideration of, amongst other things , which of the combining entities initiated the transaction or event , the relative size of the combining entities, as well as whether the assets or revenue of one of the entities involved in the transactions or event significantly exceed those of other entities. The terms and conditions of a transfer of functions undertaken between entities not under common control are set out in a binding arrangement. The binding arrangement governing the terms and conditions of a transfer of functions may identify which Municipality to the transaction or event is the combining Municipality and which Municipality is the acquirer. Determining the acquirer includes a consideration of, amongst other things, which of the combining entities involved initiated the transaction or event, the relative size of the entities, as well as whether the assets or revenue of one of the entities involved in the transaction or event significantly exceed those of the other entities. If no acquirer can be identified, the transaction or event is accounted for in terms of the Standard of GRAP on Mergers.

Determining the transfer date

The acquirer identifies the acquisition date which is the date on which it obtains control of the acquiree. The date on which the acquirer obtains control of the functions is the date on which the acquirer transfers the consideration, acquires the assets and assumes the liabilities of the acquiree as identified to in the binding arrangement.

Recognising and measuring the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree

As of the acquisition date, the acquirer recognise, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree. Recognition of identifiable assets acquired and liabilities assumed is subject to the following conditions:

The identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Framework for the Preparation and Presentation of Financial Statements and the recognition criteria in the applicable Standards of GRAP at the acquisition date.

The identifiable assets acquired and liabilities assumed must be part of what the acquirer and the acquiree (or its former owners) agreed in the binding arrangement rather than the result of separate transactions.

The acquirer's application of the recognition principle and conditions may result in recognising some assets and liabilities that the acquiree had not previously recognised as assets and liabilities in its financial statements .

Operating leases

The acquirer shall recognise no assets or liabilities related to an operating lease in which the acquiree is the lessee

The acquirer shall determine whether the terms of each operating lease in which the acquiree is the lessee are favourable or unfavourable. The acquirer shall recognise an intangible asset if the terms of an operating lease are favourable relative to market terms and a liability if the terms are unfavourable relative to market terms.

An identifiable intangible asset may be associated with an operating lease, which may be evidenced by market participants' willingness to pay a price for the lease even if it is at market terms.

City of Mbombela

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Financial Statements for the 11 months ended 30 June 2017

Accounting Policies

1.31 Transfer of functions between entities not under common control (continued)

Intangible assets

The acquirer shall separately recognise the identifiable intangible assets acquired in a transfer of functions. An intangible asset is identifiable if it meets either the separability criterion or the contractual-legal right criterion .

An intangible asset that meets the contractual-legal right criterion is identifiable even if the asset is not transferable or separable from the acquiree or from other rights and obligations.

An intangible asset that is not individually separable from the acquiree meets the separability criterion if it is separable in the transfer of functions with a related contract, identifiable asset or liability.

At the acquisition date, the acquirer shall classify or designate the identifiable assets acquired and liabilities assumed as necessary to apply other Standards of GRAP subsequent to the acquisition date. The acquirer shall make those classifications or designations on the basis of the terms of the binding arrangement, economic conditions, its operating or accounting policies and other relevant conditions as they exist at the acquisition date.

The acquirer shall measure the identifiable assets acquired and the liabilities assumed at their acquisition-date fair values.

Exceptions to the recognition or measurement principles

Contingent liabilities - Exception to recognition principles

The acquirer shall recognise as of the acquisition date a contingent liability assumed in a transfer of functions if it is a present obligation that arises from past events and its fair value can be measured reliably.

The acquirer recognises a contingent liability assumed in a transfer of functions at the acquisition date even if it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation. Paragraph .86 provides guidance on the subsequent accounting for contingent liabilities.

Employee benefits - Exception to recognition and measurement principles

The acquirer shall recognise and measure a liability (or asset, if any) related to the acquiree's employee benefit arrangements in accordance with the Standard of GRAP on Employee Benefits.

Recognising and measuring the difference between the assets acquired and liabilities assumed and the consideration transferred (if any)

The acquirer shall recognise the difference between the assets acquired and liabilities assumed and the consideration transferred (if any) as of the acquisition date in surplus or deficit.

Consideration transferred

The consideration transferred in a transfer of functions shall be measured at fair value, which shall be calculated as the sum of the acquisition-date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree and the residual interests issued by the acquirer.

Measurement period

If the initial accounting for a transfer of functions is incomplete by the end of the reporting period in which the transfer occurs, the acquirer shall report in its financial statements provisional amounts for the items for which the accounting is incomplete. During the measurement period, the acquirer shall retrospectively adjust the provisional amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognised as of that date. During the measurement period, the acquirer shall also recognise additional assets or liabilities if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have resulted in the recognition of those assets and liabilities as of that date. The measurement period ends as soon as the acquirer receives the information it was seeking about facts and circumstances that existed as of the acquisition date or learns that more information is not obtainable. However, the measurement period shall not exceed two years from the acquisition date.

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Accounting Policies

1.31 Transfer of functions between entities not under common control (continued)

Contingent liabilities

After initial recognition and until the liability is settled, cancelled or expires, the acquirer shall measure a contingent liability recognised in a transfer of functions at the higher of:

- (a) the amount that would be recognised in accordance with the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets; and
- (b) the amount initially recognised less, if appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on Revenue from Exchange Transactions.

Indemnification assets

At the end of each subsequent reporting period, the acquirer shall measure an indemnification asset that was recognised at the acquisition date on the same basis as the indemnified liability or asset, subject to any limitations as set in the binding arrangement on its amount and, for an indemnification asset that is not subsequently measured at its fair value, management's assessment of the collectability of the indemnification asset. The acquirer shall derecognise the indemnification asset only when it collects the asset, sells it or otherwise loses the right to it.

Reacquired rights

A reacquired right recognised as an intangible asset shall be amortised over the remaining contractual period of the contract in which the right was granted.

Subsequent measurement

The acquirer subsequently measure and account for assets acquired, liabilities assumed or incurred and the residual interest issued in a transfer of functions in accordance with other applicable Standards of GRAP for those items, depending on their nature.



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Accounting Policies

1.32 Statutory receivables

Statutory receivables are receivables that:

- arise from legislation, supporting regulations, or similar means; and
- require settlement by another entity in cash or another financial asset.

Statutory receivables constitute revenue receivable from property rates, fines, penalties, grants and fees charged in terms of legislation.

The municipality recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using GRAP 9;
- if the transaction is a non-exchange transaction, using GRAP 23;
- if the transaction is not within the scope of either GRAP 9 or GRAP 23, the receivable is recognised when:
 - the definition of an asset is met; and
 - it is probable that future economic benefits or service potential associated with the asset will flow to the municipality and the transaction amount can be measured reliably.

The municipality measures a statutory receivable initially at its transaction amount.

The municipality measures all statutory receivables after initial recognition using the cost method.

Under the cost method the amount recognised initially is only changed subsequently to reflect any:

- interest or other charges that may have accrued on the receivable;
- impairment loss; and
- amounts derecognised.

The municipality assesses at the end of each reporting period whether there is objective evidence that a statutory receivable or group of statutory receivables is impaired.

For amounts due to the municipality, significant financial difficulties of the receivable, probability that the receivable will enter bankruptcy and default payments are all considered indicators of impairment.

If there is objective evidence that an impairment loss on statutory receivables has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the estimated future cash flows - discounted if the effect of discounting is material - using a rate that reflects the current risk free rate and, if applicable, any risks specific to the statutory receivable, or group of statutory receivables, for which the future cash flow estimates have not been adjusted.

The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the allowance account. The reversal does not result in a carrying amount of the statutory receivable that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

Where statutory receivables are impaired through the use of an allowance account, the amount of the loss is recognised in surplus or deficit within operating expenses. When such receivables are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

The municipality derecognises a statutory receivable when:

- the rights to the cash flows from the statutory receivable are settled, expire or are waived;
- the municipality transfers to another party substantially all of the risks and rewards of ownership of the receivable
- the municipality, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the municipality:
 - derecognises the receivable;
 - recognises separately any rights and obligations created or retained in the transfer.

City of Mbombela

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Financial Statements for the 11 months ended 30 June 2017

Accounting Policies

1.32 Statutory receivables (continued)

The carrying amount of the transferred asset is allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are considered for inclusion within the scope of GRAP 104 or another standard of GRAP. Any difference between the consideration received and amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

1.33 Service concession arrangements: Grantor

A service concession arrangement is a contractual arrangement between a grantor (the municipality) and an operator in which:

- the operator uses the service concession asset to provide a mandated function on behalf of the municipality for a specified period of time; and
- the operator is compensated for its services over the period of the service concession arrangement.

A service concession asset is an asset used to provide a mandated function in a service concession arrangement that:

- is provided by the operator which:
- the operator constructs, develops, or acquires from a third party; or
- is an existing asset of the operator.
- is provided by the grantor (municipality) which:
- is an existing asset of the municipality; or
- is an upgrade to an existing asset of the municipality.

An asset is provided by the operator, or an upgrade to an existing asset of the municipality is recognised as a service concession asset if:

- the municipality controls or regulates what services the operator must provide with the asset, to whom it must provide them, and at what price;
- the municipality controls, through ownership, beneficial entitlement or otherwise, any significant residual interest in the asset at the end of the arrangement.

The municipality measures initially a service concession asset at its fair value.

The municipality recognises a liability where a service concession asset is recognised.

The liability is initially recognised at the same amount as the service concession asset, adjusted by the amount for any consideration from the municipality to the operator, or from the operator to the municipality.

Where the municipality has an unconditional obligation to pay cash or another financial asset to the operator for the construction, development, acquisition or upgrade of a service concession asset, the liability is accounted for as a financial liability in accordance with GRAP 104.

The payments made to the operator are accounted for according to their substance as:

- a reduction in the liability recognised;
- a finance charge; and
- charges for services provided by the operator.

Where the asset and service components of a service concession arrangement are separately identifiable, the service components of payments are allocated by reference to the relative fair values of the service concession asset and the services. If not, the service component of payments is determined using valuation techniques.

Where the municipality does not have an unconditional obligation to pay cash or another financial asset to the operator, and grants the operator the right to earn revenue from third-party users or another revenue-generating asset, the liability is accounted for as the unearned portion of revenue arising from the exchange of assets between the municipality and the grantor.

The liability is reduced and revenue recognised according to the substance of the service concession arrangement.



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Accounting Policies

1.34 Investments in controlled entities

Controlled entity is an entity, including an unincorporated entity such as a partnership that is controlled by another entity (known as the controlling entity). Controlling entity is an entity that has one or more controlled entities.

In the municipality's separate financial statements, investments in investments in controlled entities are carried at cost less any accumulated impairment. The municipality applies the same accounting for each category of investment.

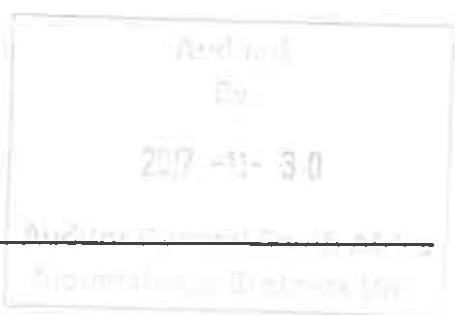
The cost of an investment in controlled entity is the aggregate of the fair value at the date of exchange of assets given, liabilities incurred or assumed and equity instruments issued by the municipality plus any costs directly attributable to the purchase price of the controlled entity

1.35 Accumulated surplus

The municipality's surplus or deficit for the year is accounted in the accumulated surplus in the statement of changes in net assets.

1.36 Share capital / contributed capital

An equity instrument is any contract that evidences a residual interest in the assets of an municipality after deducting all of its liabilities.



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Financial Statements for the 11 months ended 30 June 2017

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2. Inventories

Consumable stores	17,665,128
Water	218,346
Land held for sale	83,732,100
	<u>101,615,574</u>
Inventory	102,294,992
Inventories (write-downs)	(679,418)
Closing balance of inventories	<u>101,615,574</u>

The write off of inventory relates mainly to obsolete and slow moving inventory. The write off was approved by Council at its meeting held 28 June 2017 under item A(7).

3. Other receivables from exchange transactions

Other receivables	56,057,410
Merchandising, jobbing and contracts	25,716,907
	<u>81,774,317</u>

4. Trade receivables from non-exchange transactions

Traffic fines	8,810,462
Property rates	53,533,040
	<u>62,343,502</u>

Gross balances

Property rates	179,000,173
Traffic fines	96,934,344
	<u>275,934,517</u>

Less: Allowance for impairment

Property rates	(125,467,133)
Traffic fines	(88,123,882)
	<u>(213,591,015)</u>

Net balance

Property rates	53,533,040
Traffic fines	8,810,462
	<u>62,343,502</u>

Ageing of trade and other receivables from non - exchange transactions

Rates	
Current (0 -30 days)	25,006,979
31 - 60 days	10,350,197
61 - 90 days	8,493,436
91 - 120 days	7,827,256
121 - 365 days	46,933,409
> 365 days	80,388,896
	<u>179,000,173</u>

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Traffic fines

Balance at beginning of the year	110,495,963
Fines issued	15,891,932
Less: Received	(3,068,154)
Reversal of allowance	(26,385,397)
	<u>96,934,344</u>

Reconciliation of allowance for impairment

Balance at beginning of the year	195,263,707
Contributions to allowance	50,749,131
Reversal of allowance	(32,421,824)
	<u>213,591,014</u>

Additional text

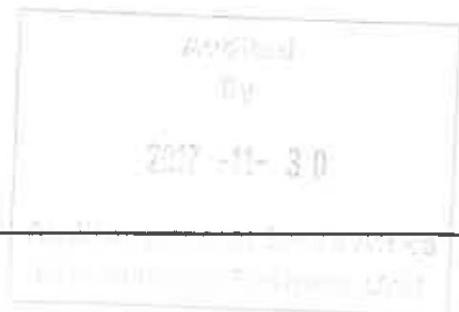
5. Value Added Tax (VAT) receivable

Value Added Tax (VAT)	<u>84,235,002</u>
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6. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	75,085
Bank balances	15,184,969
Short-term deposits	8,604,226
Total cash	<u>23,864,280</u>



City of Mbombela

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The municipality had the following bank accounts

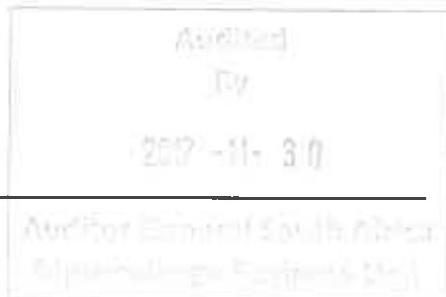
Account number / description	Bank statement balances	Cash book balances
	30 June 2017	30 June 2017
Primary Bank Acc - ABSA Mbombela: Account Number: 40-90003-9447	22,296,646	30,649,230
Spiral Plan - Bank: ABSA Mbombela: Account Number: 90- 6703-3766	4,486	-
Saving Account - Bank: ABSA Mbombela: Account Number: 90- 6916-6741	1,006	-
Call Account (Water Deposits) - Bank: ABSA Mbombela: Account Number: 90-6983-8617	4,580	4,580
Call Account (Grant Funding) - Bank: ABSA Mbombela: Account Number: 90-6983-9003	91,573	91,569
Call Account (Service Contribution) - Bank: ABSA Mbombela: Account Number: 90- 7568-1173	283,485	335,836
Call Account (Taxi Disaster) - Bank: ABSA Mbombela: Account Number: 91-2727-3547	28,503	28,466
Call Account (Grants) - Bank: ABSA Mbombela - Account Number: 40-8341-7222	46,731	46,477
Primary Bank Acc - ABSA Mbombela: Account Number: 40- 5321-5785	2,844,410	(6,318,730)
Mbombela Mayoral Fund - Bank: ABSA Mbombela: Account Number: 40-788-9377	10,423	10,410
Call Account (Mbombela 2010 Host City) - Bank: ABSA Mbombela: Account Number: 40-7502-7970	6,041	6,017
Call Account (Mbombela 2010 Fan Park Operator) -Bank: ABSA Mbombela: Account Number: 40-7611-2661	1,308	1,302
Cheque Account (White River Disaster Fund) - 40-5141-9472	30,291	30,285
Cheque Account (Mbombela Conditional Grants) - 40-7804-8048	9,532	9,496
Call Account (Lottery Distribution Trust Fund Mbombela) - 40-6856-1426	9,548	9,524
Cheque Account - Bank: ABSA, Prime Link Account: Account Number: 40-6653-7243	22,648	22,645
Bank: ABSA Mbombela - Account Number: 20-7400-3363	8,604,226	8,604,226
Petty cash	-	75,085
First National Bank - Barberton - Account number: 5160026441	(47,800)	(9,748,958)
ABSA Bank - Mbombela Traffic Account - 10-7000-0209	-	(4,400)
First National Bank - Barberton - Account number: 62305845995	41	41
First National Bank - Barberton - Account number: 62305846612	114	113
First National Bank - Barberton - Account number: 62305846935	728	728
First National Bank - Barberton - Account number: 62305847222	24	24
First National Bank - Barberton - Account number: 62000772229	44	21
First National Bank - Barberton - Account number: 62000774704	447	(107)
ABSA Bank - Barbeton - 40-7085-2360	-	10,400
Total	34,249,035	23,864,280

A call deposit amounting to R8 604 226 has been invested with Absa Bank as security for the loan of R200 million with the Development Bank of Southern Africa.

7. Trade and other receivables from exchange transactions

Gross balances

Electricity	84,298,808
Water	74,657,464
Waste water	26,167,099
Refuse	75,155,481
Service charges	51,318,456
	311,597,308



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Financial Statements for the 11 months ended 30 June 2017

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Less: Allowance for impairment

Electricity	(20,254,507)
Water	(56,269,722)
Waste water	(19,708,193)
Refuse	(56,927,840)
Service charges	(16,352,491)
	(169,512,753)

Net balance

Electricity	64,044,301
Water	18,387,742
Waste water	6,458,906
Refuse	18,227,641
Service charges	34,965,965
	142,084,555

Electricity

Current (0 -30 days)	46,880,007
31 - 60 days	8,324,681
61 - 90 days	4,383,822
91 - 120 days	3,199,634
121 - 365 days	10,357,844
> 365 days	11,152,820
	84,298,808

Water

Current (0 -30 days)	6,918,026
31 - 60 days	5,585,263
61 - 90 days	5,151,145
91 - 120 days	3,136,042
121 - 365 days	17,501,717
> 365 days	36,365,271
	74,657,464

Waste water

Current (0 -30 days)	2,018,334
31 - 60 days	1,489,361
61 - 90 days	1,273,058
91 - 120 days	1,165,239
121 - 365 days	7,066,049
> 365 days	13,155,058
	26,167,099

Refuse

Current (0 -30 days)	6,940,978
31 - 60 days	3,641,289
61 - 90 days	3,179,025
91 - 120 days	2,929,192
121 - 365 days	19,397,915
> 365 days	39,067,082
	75,155,481

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Other

Current (0 -30 days)	2,180,442
31 - 60 days	1,820,821
61 - 90 days	1,675,179
91 - 120 days	2,351,941
121 - 365 days	14,455,216
> 365 days	28,834,857
	51,318,456

Summary of debtors by customer classification

Consumers

Current (0 -30 days)	43,890,210
31 - 60 days	13,607,458
61 - 90 days	9,982,129
91 - 120 days	8,952,763
121 - 365 days	55,163,490
> 365 days	90,384,932
	221,980,982

Industrial/ commercial

Current (0 -30 days)	36,978,572
31 - 60 days	13,095,506
61 - 90 days	9,602,649
91 - 120 days	7,669,722
121 - 365 days	44,251,198
> 365 days	92,678,519
	204,276,166

National and provincial government

Current (0 -30 days)	9,075,984
31 - 60 days	4,508,647
61 - 90 days	4,570,888
91 - 120 days	3,986,819
121 - 365 days	16,297,463
> 365 days	25,900,533
	64,340,334

Total

Current (0 -30 days)	89,944,766
31 - 60 days	31,211,611
61 - 90 days	24,155,665
91 - 120 days	20,609,304
121 - 365 days	115,712,151
> 365 days	208,963,985
	490,597,482

Reconciliation of allowance for impairment

Balance at beginning of the year	122,365,105
Contributions to allowance	47,147,647
	169,512,752

City of Mbombela
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8. Deposits

Other deposits	362,477
Deposits - Eskom	4,173,342
	4,535,819

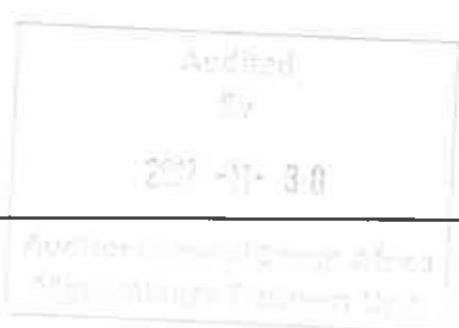
9. Investment property

	2017		
	Cost	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	361,897,862	(20,544,847)	341,353,015

Reconciliation of investment property - 2017

	Opening balance	Depreciation	Total
Investment property	343,548,127	(2,195,112)	341,353,015

A register containing the information required by section 63 of the MFMA is available for inspection at the registered office of the municipality. No property, plant and equipment were pledged as security for liabilities.



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10. Property, plant and equipment

	2017	Cost	Accumulated depreciation and accumulated impairment	Carrying value
Land				
Buildings		557,651,221	-	557,651,221
Equipment and machinery		1,496,733,024	(547,900,232)	948,832,792
Furniture and equipment		74,974,184	(13,992,627)	60,981,557
Computer equipment		40,314,095	(33,290,627)	7,023,468
Library		46,906,204	(22,284,920)	24,621,284
Roads, pavements and stormwater		21,777,245	(3,644,070)	18,133,175
Waste management		2,924,371,077	(1,262,352,627)	1,662,018,450
Leased assets		51,270,023	(9,425,061)	41,844,962
Transport assets		6,764,920	(1,210,022)	5,554,898
Waste water		189,901,579	(134,340,632)	55,560,947
Water		1,052,912,966	(377,890,920)	675,022,046
Construction Work-in-progress		2,220,673,466	(752,271,539)	1,468,401,927
Electricity		1,033,989,605	(597,580,218)	1,033,989,605
Total		10,930,274,981	(3,756,183,495)	7,174,091,486

City of Mbombela

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Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Disposals	Transfers received	Transfers out	Change in accounting estimate	Depreciation	Total
Land	559,320,171	-	(1,668,950)	36,186,517	-	-	-	557,651,221
Buildings	955,586,012	13,217,774	-	-	-	-	(56,157,511)	948,832,792
Equipment and machinery	69,335,446	2,799,692	-	-	-	-	(11,153,581)	60,981,557
Furniture and equipment	10,833,977	2,256,521	-	-	-	-	(6,067,030)	7,023,468
IT equipment	17,085,469	11,032,372	-	-	-	-	(3,496,557)	24,621,284
Libraries	18,799,753	-	-	-	-	-	(666,578)	18,133,175
Roads, pavements and stormwater	1,560,962,053	40,133,423	-	254,730,584	-	-	(193,807,610)	1,662,018,450
Waste management	45,479,851	350,000	-	-	(750,285)	(2,259,401)	(975,203)	41,844,962
Leased assets	-	6,764,920	-	-	-	-	(1,210,022)	5,554,898
Transport assets	74,676,812	1,642,288	-	-	-	-	(20,758,153)	55,560,947
Waste water	701,055,124	-	(74,426)	12,065,746	-	-	(38,024,398)	675,022,046
Water	1,387,333,990	311,694	(2,304)	143,829,461	-	-	(63,070,914)	1,468,401,927
Construction Work-in-progress	993,781,811	518,987,190	-	(478,779,396)	-	-	-	1,033,989,605
Electricity	626,250,246	12,273,869	-	32,717,373	-	-	(56,786,334)	614,455,154
7,020,500,715	609,769,743	(1,745,680)	750,285	(750,285)	(2,259,401)	(2,259,401)	(452,173,891)	7,174,091,486

Compensation received for losses on property, plant and equipment – included in operating profit.

Office equipment

287,480

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Property, plant and equipment in the process of being constructed or developed

Cumulative expenditure recognised in the carrying value of property, plant and equipment

Roads , Pavements, Bridges and Stormwater Infrastructure	474,319,622
Water Reservoirs and Reticulation Infrastructure	542,768,911
Electricity Infrastructure	66,322,167
Buildings	75,248,379
Waste Water Infrastructure	97,797,403
	1,256,456,482

Carrying value of property, plant and equipment that is taking a significantly longer period of time to complete than expected

Roads , Pavements, Bridges and Stormwater Infrastructure	68,974,074
The projects were delayed mainly as a result of the internal inefficiencies which has caused a gap between appointment of consultants and contractors, inadequate community buy in on projects that does not create local employment opportunities and local empowerment in terms of subcontracting and unsatisfactory performance by certain contractors.]	
Water Reservoirs and Reticulation Infrastructure	64,745,276
The projects were mainly delayed due to commissioning of projects due to the delay on the electricity (power) connection, community unrest, environmental compliance assessments and the internal inefficiencies which has caused a gap between appointment of consultants and contractors.	
Electricity Infrastructure	27,154,152
[The projects were mainly delayed due to inability to secure funding on time, internal deficiencies which has caused a gap between appointment of consultants and contractors.	
Waste Water Infrastructure	15,715,226
The projects were mainly delayed due to commissioning of projects due to the delay on the electricity (power) connection, community unrest, environmental compliance assessments and the internal inefficiencies which has caused a gap between appointment of consultants and contractors.	
	176,588,728

Carrying value of property, plant and equipment where construction or development has been halted either during the current or previous reporting period(s)

Water Reservoirs and Reticulation Infrastructure	1,010,743
The project was halted due to lack of water rights.	
	1,010,743

Reconciliation of Work-In-Progress 2017

	Included within Infrastructure	Included within Other PPE	Total
Opening balance	1,295,001,462	156,452,189	1,451,453,651
Additions/capital expenditure	494,324,060	19,714,537	514,038,597
Reclassification/ Correction of Accounting error	(608,117,419)	(100,918,347)	(709,035,766)
	1,181,208,103	75,248,379	1,256,456,482

Expenditure incurred to repair and maintain property, plant and equipment

Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance

Contracted services	184,778,288
Inventory	20,164,465
	204,942,753

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A register containing the information required by section 63 of the MFMA is available for inspection at the registered office of the municipality. No property, plant and equipment were pledged as security for liabilities.

11. Intangible Assets

	2017		
	Cost	Accumulated amortisation and accumulated impairment	Carrying value
Licenses and franchises	778,069	(777,805)	264
Computer software, other	15,675,126	(4,217,967)	11,457,159
Servitudes	4,590,568	-	4,590,568
Total	21,043,763	(4,995,772)	16,047,991

Reconciliation of intangible assets - 2017

	Opening balance	Additions	Disposals	Amortisation	Impairment loss	Total
Licenses	264	-	-	-	-	264
Computer software and other	4,525,065	7,929,169	-	(854,428)	(142,647)	11,457,159
Servitudes	4,590,568	-	-	-	-	4,590,568
	9,115,897	7,929,169	-	(854,428)	(142,647)	16,047,991

A register containing the information required by section 63 of the MFMA is available for inspection at the registered office of the municipality. No property, plant and equipment were pledged as security for liabilities.

12. Heritage assets

	2017		
	Cost / Valuation	Accumulated impairment losses	Carrying value
Historical monuments	485,639	-	485,639
Historical buildings	436,805	(235,147)	201,658
Stamp collections, military insignia, medals, coin	186,585	-	186,585
Recreational parks	1,428,088	-	1,428,088
Total	2,537,117	(235,147)	2,301,970

Reconciliation of heritage assets 2017

	Opening balance	Additions	Disposals	Total
Historical monuments	485,639	-	-	485,639
Historical buildings	201,658	-	-	201,658
Stamp collections, military insignia, medals, coin	186,585	-	-	186,585
Recreational parks	1,428,088	-	-	1,428,088
	2,301,970	-	-	2,301,970

A register containing the information required by section 63 of the MFMA is available for inspection at the registered office of the municipality. No property, plant and equipment were pledged as security for liabilities.

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13. Investments

At amortised cost	
Fixed deposit	17,260,144
Non-current assets	
At amortised cost	17,260,144

A call deposit amounting to R 17 260 144 has been invested with Nedbank as security for the loan of R22 million with the Development Bank of Southern Africa.

14. Interest Bearing Borrowings

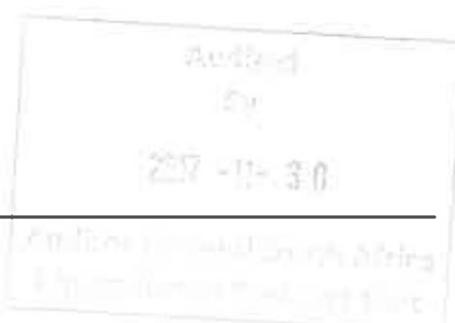
At amortised cost	
Development Bank of South Africa R200 million	149,527,152
This loan bears interest at 12.62% and is payable bi-annually installments	
Development Bank of South Africa R138.6 million	137,277,567
This loan bears interest at 12.62% and is payable bi-annually installments	
Standard Bank - R25 million	8,179,218
This loan bears interest at 10.50% and is payable bi-annually installments	
Development Bank of South Africa R21.6 million	9,718,409
This loan bears interest at 10.74% and is payable bi-annually installments	
Stock Loans@ 11.60%	3,000
DBSA Loan L121	278,112
This loan bears interest at 14.5 % and is repayable in bi-annual installments	
DBSA Infrastructure L122	394,581
This loan bears interest at 15 % and is repayable in bi-annual installments	
DBSA Infrastructure L124	327,975
This loan bears interest at 16.5 % and is repayable in bi-annual installments	
	305,706,014

Total interest bearing borrowings **305,706,014**

Non-current liabilities	
At amortised cost	287,751,760
Current liabilities	
At amortised cost	17,954,254

15. Other financial liabilities

Merchandising, jobbing and contracts	3,544,397
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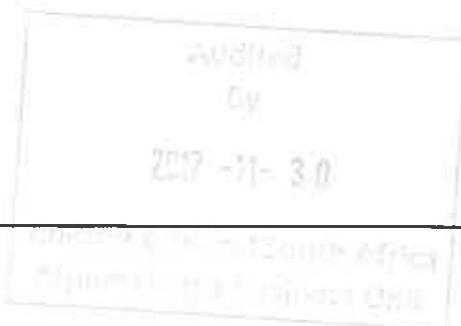
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16. Trade and other payables from exchange transactions

Trade payables and accruals	527,158,317
Payments made in advance	80,206,843
Salaries - Employee related costs	4,628,290
Retentions	101,241,114
Leave accrual	48,597,964
Pension and Retirement Contributions	84,136
Bulk Water	118,673,351
Agency Fees Payable	108,860,630
Unallocated deposits	25,742,526
Bulk Electricity - Eskom	217,197,616
Compensation Commission (COID)	3,417,356
Bonus accrual	13,948,979
	1,249,757,122

17. Other payables from non - exchange transactions

Transfers payable	7,846,381
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18. Long service awards

In accordance with the bargaining collective agreement on conditions of service for the Mpumalanga division and municipal policy, the municipality makes provision for long service awards where employees have uninterrupted service of at least five (5) years.

The amounts recognised in the statement of financial position are as follows:

Opening balance	59,687,299
Current service costs	5,163,333
Interest costs	4,461,591
Actuarial gain	(10,774,263)
Expenditure incurred	(2,062,787)
	56,475,173

Net expense recognised in the statement of financial performance

Current service cost	5,163,333
Interest cost	4,461,591
Actuarial (gains) losses	(10,774,263)
Expenditure incurred	(2,062,787)
	(3,212,126)

Assumptions for actuarial valuation

Assumptions made from the actuarial valuation as at 30 June 2017 were as follows:

Discount rate	8.70 %
Consumer inflation	10.00 %
Salary inflation	6.53 %

Discount rate

GRAP 25 requires that the discount rate be set based on the yields government bonds of appropriate term. The expected remaining working lifetime of eligible employees was assumed to be 19.3 years. The expected inflation assumption of 5.53% was obtained from the differential between market yields on index-linked bonds (2.54%) consistent with the estimated terms of the liabilities and those of nominal bonds (8.70%) with a risk premium adjustment for the uncertainty implicit in guaranteeing real increases (0.50%). therefore, expected inflation is determined as $((1+8.70\%) - 0.50\%) / (1+2.54\%) - 1$.

A 1% change effect as included on the actuarial valuation reports.

30 June 2017	Decrease
Discount rate effect on the current service cost	4,627,500
Discount rate effect on the unfunded accrued liability	52,014,000

30 June 2017	Increase
Discount rate effect on the current service cost	4,896,700
Discount rate effect on the unfunded accrued liability	61,626,000

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19. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts

Municipal Infrastructure Grant (MIG)	125,004,259
Integrated National Electrification Programme Grant (INEP)	779,659
Public Transport Infrastructure Grant (PTIG)	34,287,821
Municipal Water Infrastructure Grant (MWIG)	4,732,664
Neighbourhood Development Partnership Grant (NDPG)	1,965
Municipal Demarcation Grant	54,197
Municipal Systems Improvement Grant (MSIG)	9,216
Donations Taxi Disaster Grant	28,466
Energy Efficiency Demand Side Management Grant (EEDSM)	35,685
Municipal Disaster Relief Grant	86,833
National Lottery Grants	4,500,593
	169,521,358

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20. Provisions

Reconciliation of provisions - 2017

	Opening Balance	Change in accounting estimate	Change in discount factor	Reduction due to re-measurement or settlement without cost to entity	Total
Environmental rehabilitation	109,905,735	(2,259,401)	2,375,474	7,656,950	117,678,758
Non-current liabilities					114,344,014
Current liabilities					3,334,744
					117,678,758

The provision for rehabilitation of landfill sites relates to the legal obligation to rehabilitate landfill sites used for waste disposal in accordance with the National Environmental Management Act 107 of 1998 and the Environment Conservation Act No 73 of 1989. The landfill sites are rehabilitated at the end of each useful life. It is calculated as the present value of the expenditure expected to be required to settle the future obligation to rehabilitate the landfill sites.

The discount rate used reflect the current market assessment of the time value of money and the risks specific to the liability. The valuation for the provision of the landfill sites was reviewed by an independent landfill site and environmental expert.

Financial Assumptions used for the provision of landfill site

The financial assumptions used for the provision of landfill site rehabilitation at 30 June were as follows:

Adjustments of unit costs	5.64 %
Consumer Price Index (CPI)	5.64 %
Discount rate:	
Tekwane West and Barberton landfill sites	8.14 %
Mbombela and Mbonisweni landfill sites	8.64 %
Hazyview landfill site	8.14 %
Net effective discount rate (inflation linked bond rates) above Consumer Price Index (CPI)	
Tekwane West and Barberton landfill sites	2.50 %
Mbombela and Mbonisweni landfill sites	3.00 %
Hazyview landfill site	2.50 %



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21. Finance lease liability

Minimum lease payments due

- within one year	2,591,964
- in second to fifth year inclusive	5,219,785
<hr/>	

less: future finance charges

Present value of minimum lease payments

7,811,749
(1,237,032)

6,574,717

Present value of minimum lease payments due

- within one year	2,591,964
- in second to fifth year inclusive	3,982,753
<hr/>	

Non-current liabilities

4,632,909

Current liabilities

1,941,807

6,574,716

The average lease term is 3 years and the average effective borrowing rate is 10.50%. Interest rates are fixed at the contract date. Some leases have fixed repayments terms. No arrangements have been entered into for contingent rent. Obligations under finance leases are secured by the lessor's title to the leased asset.

22. Consumer deposits

Sewerage	4,928,450
Electricity	26,438,760
Water	3,158,193
Sports field and community halls	68,279
<hr/>	
34,593,682	

23. Post employment benefits

Post employment health care employee benefit

The municipality provides for employees and continuation members to subscribe to a South African Local Government Association accredited medical aid scheme. Upon retirement an employee has the option of continued membership to the medical aid scheme. The municipality provides a 60% subsidy of medical scheme contribution to eligible in service and continuation members upon retirement.

The amounts recognised in the statement of financial position are as follows:

Opening balance	196,432,182
Current service costs	10,716,833
Interest costs	15,893,964
Actuarial loss / (gain)	(78,828,737)
Actual post-retirement health care benefits payments	(3,247,949)
<hr/>	
	140,966,293

Non-current liabilities

137,179,853

Current liabilities

3,786,440

140,966,293

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Net expense recognised in the statement of financial performance

Current service cost	10,716,833
Interest cost	15,893,964
Actuarial (gains) losses	(78,828,737)
Actual post-retirement health care benefits payments	(3,247,949)
	(55,465,889)

The medical aid benefit expense is included in employee remuneration.

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Assumptions for actuarial valuation

Assumptions made from the actuarial valuation as at 30 June 2017 were as follows:

Discount rate	9.80 %
Consumer inflation	5.69 %
Medical inflation	8.08 %
Maximum subsidy inflation rate	5.69 %
Expected retirement age (years)	63

Discount rate

GRAP 25 requires that the discount rate be set based on the yields government bonds of appropriate term. The duration of the post employment medical aid liabilities was assumed to be 19.3 years based on the previous valuation report. The expected inflation assumption of 6.58% was obtained from the differential between market yields on index linked bonds consistent with the estimated term of the liabilities (2.55%) and those of fixed interest bonds (9.80%) with a premium adjustment for the uncertainty implicit in guaranteeing real increases (0.50%). This was therefore determined as follows:
 $((1+9.80\% - 0.50\%) / (1+2.55\%)) - 1$.

A 1% change effect as included on the actuarial valuation reports.

30 June 2017

	Decrease
Health cost inflation effect on the current service cost	6,953,600
Health cost inflation effect on the defined benefit liability	128,327,000
Discount rate effect on the current service cost	9,837,200
Discount rate effect on the health care benefit liability	166,498,000

30 June 2017

	Increase
Health cost inflation effect on the current service cost	8,619,100
Health cost inflation effect on the defined benefit liability	149,798,000
Discount rate effect on the current service cost	6,486,400
Discount rate effect on the health care benefit liability	120,859,000

There has been a change in assumptions used by management.

The effects are as follows:

	Rough quantum of effect
The previous valuation of Former Mbombela Local Municipality's liability assumed 100% of employees on a medical scheme would continue to receive the subsidy on retirement. This assumption has been revised, in consultation with the Municipality, to 75%.	(37,000,000)
Previously, no allowance was made for employees who were not on a medical scheme at the time of the valuation, to join and receive a subsidy after retirement. The current valuation makes allowance for these employees, and they are referred to as in-service non-members in this report; and	5,000,000
Mortality in retirement was assumed to be based on PA (90) tables in both former entities' reports, with former Umjindi Local Municipality's report including an allowance for two years rated downwards and former Mbombela Local Municipality's report including an allowance for three years rated downwards from the original table. This year, the table allowance was harmonised at two years rated downwards.	(4,000,000)
Increase in net discount rate.	(3,000,000)
All members are valued as receiving a subsidy of 60%. The previous valuation of former Umjindi Local Municipality's liability was based on a subsidy of 70%.	(3,000,000)
All members are subject to the maximum monthly subsidy amount. The previous valuation of former Umjindi Local Municipality's liability did not state any explicit maximum monthly subsidy that members were subject to.	2,000,000

The amounts disclosed above represent a wholly unfunded defined benefit obligation.

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24. Operating lease asset (accrual)

Current assets	232,381
Non-current liabilities	(271,543)
	(39,162)

25. Service charges

Sale of electricity	781,325,862
Sale of water	81,121,174
Solid waste	83,264,070
Sewerage and sanitation charges	22,983,561
	968,694,667

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26. Rental of facilities and equipment

Premises	13,853,756
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Rental of facilities

Rental of facilities	141,472
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27. Agency services

Department of Community Safety, Security and Liaison

Agency services	34,708,403
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Revenue received on behalf of the Department

157,640,640

Less: Licence card fees

(2,377,441)

Less: VAT on agency fees

(4,533,823)

Less: Accruals and payments to the Departments

(116,020,973)

34,708,403

28. Other income

Collection fees	3,627,351
Advertisements	2,249,798
Bad Debts Recovered	6,783,490
Municipal Information and Statistics	869,160
Insurance Refund	576,616
Application Fees for Land Usage	4,929,283
Fire services	67,029
Burial fees	641,946
Meal and Refreshment	11,086
Administration and management fees received	3,819,362
Commissions received	2,229,435
Membership fees - library	5,712
Amendments fees	727,563
Revenue recognised from service contributions	3,043,796
Sale of Property	597,035
Skills Development Levy Refund	1,969,558
Staff recoveries	62,320
Entrance fees	197,738
Photocopies and fax	128,538
Membership fees	1,195
Refreshments	3,407
	32,541,418

29. Investment revenue

Cash and cash equivalents	1,609,842
Receivables from exchange transactions	26,630,563
	28,240,405

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30. Property rates

Rates received

Residential	225,444,220
Commercial	253,601,897
State	55,579,572
Agriculture	19,663,123
Other	3,403,556
Less: Income forgone	(187,559,646)
	370,132,722

Valuations

Residential	28,575,732,741
Commercial	13,030,743,999
State	2,536,697,904
Municipal	1,311,171,241
Agriculture	7,544,754,665
Other	1,001,074,744
	54,000,175,294

The City has been implementing the two separate existing valuation rolls from the former Umjindi and Mbombela disestablished municipalities for the 2016/2017 financial year and will be enforceable up to 30 June 2018. The last valuation compiled in accordance with the Municipal Property Rates Act, 2004 for the former Mbombela local municipality and former Umjindi local municipality came into effect on 1 July 2014 and 1 July 2013 respectively. Interim valuations are conducted on a bi annual basis through supplementary rolls, to take into account changes on individual property values due to alterations or new developments.

A general rate of 0.89400 cent in a Rand (2016 : 0.8390) is applied to property valuations to determine property rates. Various rebates are granted to residential, business, agricultural and other properties and/or categories of owners in terms of the approved Property Rates By-Law. Rates are levied on a monthly basis on property owners. Interest at 11.50 % per annum (2016 :10.25%) is levied on outstanding rates.

The City has started with the processes of compiling the first General Valuation roll for the City to be implemented with effect from 1 July 2018 and will be valid until 30 June 2023.



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31. Government grants and subsidies

Operating grants

Equitable share	463,245,306
Financial Management Grant	3,442,762
Municipal Systems Improvement Grant	378,738
Expanded Public Works Programme	5,686,000
Municipal Infrastructure Grant	11,472,188
Municipal Demarcation Grant	10,142,798
	494,367,792

Capital grants

Municipal Infrastructure Grant	277,931,243
Energy Efficiency Demand Side Management	9,964,315
Public Transport Network Grant	39,238,725
Neighbourhood Development Partnership Grant	48,635,035
Integrated National Electrification Programme	10,221,871
Municipal Demarcation Grant	3,231,007
Municipal Water Infrastructure Grant	101,115,470
Provincial Human Settlement Grant	22,342,571
Public Transport Network Grant	125,336,369
	638,016,606
	1,132,384,398

Equitable Share

Equitable share	463,245,306
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This grant is unconditional and is partially utilised for the indigent support through provision free basic services.

Municipal Infrastructure Grant (MIG)

Balance unspent at beginning of 11 months	83,748,690
Current year receipts	330,659,000
Conditions met - transferred to revenue - capital	(242,390,471)
Conditions met - transferred to revenue - operating	(11,472,188)
Conditions met - transferred to revenue - VAT	(35,540,772)
	125,004,259

This grant was used to accelerate basic infrastructure backlog for the benefit of poor households. The amount transferred to operating relates to projects budgeted for as capital and service delivery was done but for financial reporting purposes the asset recognition criteria is not met. The revenue recognised met the conditions of the grant. The unspent amount of R 41 250 000 relating to the current financial year was not approved for roll over by National Treasury and will subsequently be set off against the Equitable share allocation trench for December 2017.

Integrated National Electrification Programme Grant (INEP)

Balance unspent at beginning of 11 months	1,530
Current-year receipts	11,000,000
Conditions met - transferred to revenue - operating	(8,966,553)
Conditions met - transferred to revenue - VAT	(1,255,318)
	779,659

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The grant was used to address the electrification backlogs of occupied residential dwellings and the installation of bulk infrastructure, rehabilitation and refurbishment of electricity infrastructure in order to improve the quality of supply. The revenue recognised met the conditions of the grant. The unspent amount of R 779 659 relating to the current financial year was not approved for roll over by National Treasury and will subsequently be set off against the Equitable share allocation trench for December 2017.

Public Transport Network Grant (PTNG)

Balance unspent at beginning of 11 months	27,480,433
Current-year receipts	200,058,000
Conditions met - transferred to revenue - capital	(105,125,393)
Conditions met - transferred to revenue - operating	(39,238,725)
Conditions met - transferred to revenue - VAT	(20,210,980)
Transferred to equitable share	(28,675,514)
	<u>34,287,821</u>

The grant was used for accelerated planning, construction and improvement of public and non-motorised transport infrastructure and services. The revenue recognised met the conditions of the grant. The unspent amount of R 34 287 821 relating to the current financial year was not approved for roll over by National Treasury and will subsequently be set off against the Equitable share allocation trench for December 2017.

Municipal Water Infrastructure Grant (MWIG)

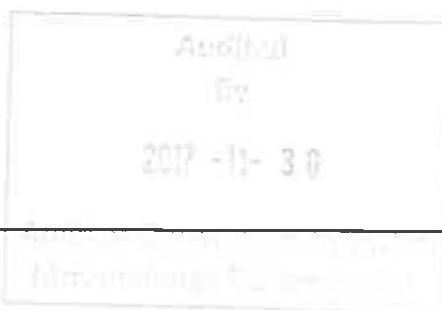
Balance unspent at beginning of 11 months	10,476,134
Current-year receipts	95,372,000
Conditions met - transferred to revenue - capital	(88,596,367)
Conditions met - transferred to revenue - VAT	(12,519,103)
	<u>4,732,664</u>

This grant was used for refurbishment of the water schemes and water related infrastructure. The revenue recognised met the conditions of the grant. The unspent amount of R 4 732 664 relating to the current financial year was not approved for roll over by National Treasury and will subsequently be set off against the Equitable share allocation trench for December 2017.

Neighbourhood Development Partnership Grant (NDPG)

Balance unspent at beginning of 11 months	12,718,789
Current-year receipts	48,637,000
Conditions met - transferred to revenue - Capital	(42,662,311)
Conditions met - transferred to revenue - VAT	(5,972,724)
Transferred to Equitable Share	(12,718,789)
	<u>1,965</u>

The grant was used to plan, catalyst and invest in targeted locations in order to attract and sustain third party capital investment aimed at spatial transformation in under served neighbourhoods, specifically in townships. The unspent balance of R 12 718 789 was not approved for roll over by National Treasury resulting in the R 12 718 789 being withheld from the Equitable Share allocation. The unspent amount of R 1 965 relating to the current financial year was not approved for roll over by National Treasury and will subsequently be set off against the Equitable share allocation trench for December 2017.



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Municipal Demarcation Grant

Balance unspent at beginning of 11 months	5,372,002
Current-year receipts	8,056,000
Conditions met - transferred to revenue - capital	(3,358,510)
Conditions met - transferred to revenue - operating	(8,372,898)
Conditions met - transferred to revenue - VAT	(1,642,397)
	54,197

The grant was used for institutional and administrative costs due to the amalgamation of the former Mbombela local municipality and Umjindi local municipality into the newly established City of Mbombela. The unspent amount of R 54 197 relating to the current financial year was not approved for roll over by National Treasury and will subsequently be set off against the Equitable share allocation trench for December 2017.

Municipal Systems Improvement Grant (MSIG)

Balance unspent at beginning of 11 months	387,955
Conditions met - transferred to revenue - operating	(378,739)
	9,216

The grant was used for the implementation of revenue enhancement strategy, strengthening administrative systems for effective implementation of ward participation system, financial systems support and improving municipal audit outcome

Finance Management Grant (FMG)

Balance unspent at beginning of 11 months	192,762
Current-year receipts	5,936,000
Conditions met - transferred to revenue - operating	(6,128,762)
	-

The grant was used to promote and support reforms in financial management through financial management internship and reforms and capacity building programmes .The revenue recognised met the conditions of the grant.

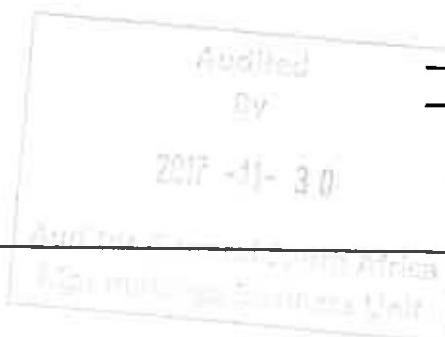
Donations Taxi Disaster Grant

Balance unspent at beginning of 11 months	28,008
Current-year receipts	458
	28,466

The grants was utilised for various projects as set out in the conditions of the grants.

Energy Efficiency Demand Side Management (EEDSM)

Balance unspent at beginning of 11 months	7,000,000
Current-year receipts	10,000,000
Conditions met - transferred to revenue - Capital	(5,959,132)
Conditions met - transferred to revenue - Operating	(2,781,495)
Conditions met- transferred to revenue - VAT	(1,223,688)
Transferred to equitable share	(7,000,000)
	35,685



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The grant was used to implement energy efficiency and demand side management initiatives in order to reduce electricity consumption and improve energy efficiency. The unspent balance of R 7 000 000.00 was not approved for roll over by National Treasury resulting in the R 7 000 000.00 being withheld from the Equitable Share allocation. The unspent amount of R 35 685 relating to the current financial year was not approved for roll over by National Treasury and will subsequently be set off against the Equitable share allocation trench for December 2017.

Disaster Relief Grant

Balance unspent at beginning of 11 months

86,833

The grant was used to address immediate disaster response.



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Provincial Human Settlement Grant

Balance unspent at beginning of 11 months	22,342,571
Conditions met - transferred to revenue - capital	(19,598,746)
Conditions met- transferred to revenue - VAT	(2,743,825)
	-

The grant was used to implement sustainable and integrated human settlements programmes. The grant was fully utilised in accordance with the conditions of the grant framework.

National Lottery Grant

Balance unspent at beginning of 11 months	4,500,367
Current-year receipts	226
	<u>4,500,593</u>

The grant was intended for Sports Development programmes. The unspent balance is committed.

Expanded Public Works Programme

Current-year receipts	5,686,000
Conditions met - transferred to revenue - Operating	(5,686,000)
	-

The grant was used to expand labour intensive delivery methods in waste management, road maintenance and other programmes in accordance with the grant framework.

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32. Employee related costs

Basic salary and wages	335,920,863
Bonus	26,362,981
Social Contributions - Medical	31,858,912
Social Contributions - Unemployment Insurance Fund	3,058,701
Tools allowance	254,618
Payment in lieu of leave	6,752,126
Overtime - Non Structured	81,017,918
Defined benefit obligation	26,610,797
Overtime - Structured	1,303,067
Social Contributions: Pension	68,207,844
Uniform/Special/Protective Clothing	345,697
Acting and post related allowances	1,391,624
Travel or motor vehicle	31,818,545
Housing benefit	3,246,014
Long service award	9,624,924
Standby Allowance	13,157,964
Cellular and telephone	3,460,029
Actuarial Gain on Defined Benefit Liability	(89,603,000)
Social Contributions - Group Life Insurance	3,736,021
Social Contributions - Bargaining Council	166,923
Overtime - Shift additional remuneration	2,226,089
Remuneration of the Municipal Manager	2,026,893
Remuneration of Deputy Municipal Manager - Core Services	1,092,839
Remuneration of Deputy Municipal Manager - Auxiliary Services	943,286
Remuneration of General Manager - City Planning	1,143,629
Remuneration of General Manager - Community Services	1,079,707
Remuneration of General Manager - Corporate Services	1,097,859
Remuneration of General Manager - Energy	985,980
Remuneration of General Manager - Public Safety	1,024,748
Remuneration of General Manager - Public works and Transport	1,165,308
Remuneration of General Manager - Regional coordination	1,017,989
Remuneration of General Manager - Strategic Planning and Executive Support	1,209,874
Remuneration of General Manager - Water and Sanitation	1,209,791
Remuneration of the Chief Financial Officer	1,421,504
	576,338,064

Remuneration of municipal manager

Annual Remuneration	1,226,697
Contributions to UIF, Medical and Pension Funds	282,868
Car Allowance	191,319
Cellphone allowance	55,498
Payment in lieu of leave	270,511
	2,026,893

The contract of the Municipal Manager ended on 9 June 2017

Remuneration of Chief Finance Officer

Annual Remuneration	949,072
Contributions to UIF, Medical and Pension Funds	114,243
Car Allowance	213,333
Cellphone allowance	29,544
Payment in lieu of leave	115,312
	1,421,504

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The Chief Financial Officer resigned with effect from 30 June 2017.

Remuneration of General Manager - Strategic Planning and Executive Support Services

Annual Remuneration	881,703
Contributions to UIF, Medical and Pension Funds	85,294
Cellphone allowance	29,544
Car Allowance	213,333
	1,209,874

Remuneration of Deputy Municipal Manager - Auxillary Services

Annual Remuneration	555,913
Contributions to UIF, Medical and Pension Funds	117,193
Car Allowance	59,844
Cellphone allowance	31,397
Payment in lieu of leave	178,939
	943,286

The contract of the Deputy Municipal Manager: Auxiliary Services ended on 31 January 2017

Remuneration of Deputy Municipal Manager - Core Services

Annual Remuneration	674,480
Contributions to UIF, Medical and Pension Funds	1,537
Car Allowance	377,217
Cellphone allowance	18,700
Acting allowance	20,905
	1,092,839

Remuneration of General Manager - Corporate Services

Annual Remuneration	778,635
Contributions to UIF, Medical and Pension Funds	60,170
Car Allowance	213,333
Cellphone allowance	29,544
Acting allowance	16,177
	1,097,859

Remuneration of General Manager - Regional Coordination

Annual Remuneration	631,381
Contributions to UIF, Medical and Pension Funds	1,450
Car Allowance	210,460
Cellphone allowance	14,500
Payment in lieu of leave	160,198
	1,017,989

The contract of the General Manager : Regional Centre Co-ordination ended 31 May 2017.

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Remuneration of General Manager - Public Works, Roads and Transport

Annual Remuneration	649,648
Contributions to UIF, Medical and Pension Funds	137,143
Car Allowance	241,667
Cellphone allowance	20,406
Payment in lieu of leave	116,444
	1,165,308

The General Manager Public works, Roads and Transport resigned with effect from 31 May 2017.

Remuneration of General Manager - Energy

Annual Remuneration	703,909
Contributions to UIF, Medical and Pension Funds	1,586
Car Allowance	234,636
Cellphone allowance	16,000
Acting allowance	29,849
	985,980

Remuneration of General Manager - Water and Sanitation

Annual Remuneration	848,998
Contributions to UIF, Medical and Pension Funds	171,249
Car Allowance	160,000
Cellphone allowance	29,544
	1,209,791

Remuneration of General Manager - Community Services

Annual Remuneration	712,222
Contributions to UIF, Medical and Pension Funds	71,440
Car Allowance	266,667
Cellphone allowance	29,378
	1,079,707

Remuneration of General Manager - Public Safety

Annual Remuneration	631,381
Contributions to UIF, Medical and Pension Funds	1,302
Cellphone allowance	14,500
Car Allowance	210,460
Payment in lieu of leave	167,105
	1,024,748

The contract of General Manager Public Safety ended 31 May 2017

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Remuneration of General Manager - City Planning

Annual Remuneration	760,981
Contributions to UIF, Medical and Pension Funds	225,104
Car Allowance	128,000
Cellphone allowance	29,544
	1,143,629

Remuneration of General Manager - Legal Services

Annual Remuneration	442,012
Contributions to UIF, Medical and Pension Funds	892
Cellphone allowance	9,000
Car allowance	143,688
Payment in lieu of leave	167,105
	762,697

33. Remuneration of councillors

Executive Mayor	868,007
Mayoral Committee Members	6,024,969
Speaker	681,274
Councillors	17,104,722
Councillors' pension contribution	1,617,264
Section 79 committee	3,764,062
Chief whip	619,804
	30,680,102

Remuneration paid to all councillors are within the upper limits set by the Minister for Co-Operative Governance and Traditional Affairs as per his vested power set out in the Remuneration of Public Office Bearers Act no 20 of 1998.

In-kind benefits

The Executive Mayor, the Speaker and Members of the Mayoral Committee are full-time. Each is provided with an office and secretarial support at the cost of the Council. The Executive Mayor and Speaker have the use of a Council leased vehicle for official duties.

Council provided security at the private residences of the Executive Mayor and several other councillors through private security firms at the cost to Council.

34. Depreciation and amortisation

Property, plant and equipment	452,173,890
Investment property	2,195,112
Intangible assets	854,428
	455,223,430

35. Finance costs

Borrowings	30,593,007
Trade and other payables	14,541,547
Finance leases	76,164
Bank	1,077,493
Other interest payable	2,375,474
	48,663,685

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36. Bad debts written off

Bad debts written off	<u>23,416,680</u>
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37. Bulk purchases

Electricity	560,627,802
Water	46,107,263
	<u>606,735,065</u>

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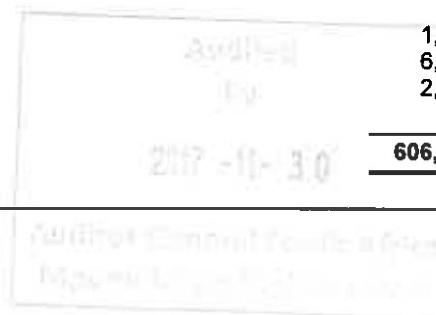
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38. Contracted services

Information Technology Services	30,598,908
Sports and recreation	902,471
Refuse removal	18,229,997
Security services	55,371,742
Clearing and grass cutting services	28,648,068
Cleaning services	4,209,684
Occupational Health and Safety	170,500
Artists and performers	370,182
Burial services	1,663,406
Personal and labour	1,780,993
Meter management	8,161,576
Internal Auditors	1,185,625
Drivers licence cards	2,285,391
Mini dumping sites	10,699,834
Contractors - Sewerage services	25,869,187
Traffic fines management	11,453
Human resources	3,151,736
Research and advisory	56,897,630
Connection/dis-connection: Electricity	1,736,345
Project management	22,938,802
Business and Advisory - Organisational	985,261
Illegal dumping	17,247,326
Hygiene services	541,515
Engineering - civil	79,696,943
Business and financial management	20,243,391
Accounting and auditing	10,770,310
Engineering - Electrical	2,781,495
Engineering - Structural	404,717
Land and quantity surveyors	2,810
Infrastructure and Planning - Town Planner	901,186
Laboratory services - Water	988,326
Legal Cost - Legal advice and litigation	3,372,557
Legal Cost - Collection	1,490,690
Legal Cost - Issue of Summons	356,388
Commissions and Committees	6,327,450
Medical examinations	316,325
Infrastructure and Planning - Architectural	50,050
Quality control	1,736,663
Valuer and Assessors	21,645
Stage and sound crew	1,009,149
Audio-visual Services	88,275
Maintenance of buildings and facilities	13,308,328
Electrical	23,363,888
Event promoters	17,151,056
Fire protection	5,591,166
Gardening services	9,046,072
Contractors - Building	1,706,653
Contractors - Maintenance of buildings and facilities	10,366,621
Contractors - Maintenance of unspecified assets	80,947,319
Contractors - Maintenance of equipment	10,587,633
Photographer	114,232
Stream cleaning and ditching	1,336,640
Traffic and street lights	6,293,742
Grading of sport fields	2,267,611
Graphic designers	28,959
	606,325,922



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39. Grants and subsidies paid

Non-profit institutions	2,287,467
Social Assistance: Grant In Aid	174,624
Poverty relief	131,471
Free basic services - electricity	58,852
Free basic services - water	36,618,284
	39,270,698

40. General expenses

Advertising	5,737,150
Auditors remuneration	7,481,298
Bank charges	4,078,771
Materials and Supplies	4,110,740
Commission - Prepaid electricity	4,024,806
Consulting and professional fees	225,193
Consumables	30,604,968
Vehicle tracking	2,808,492
System access and information fees	264,693
Insurance	6,381,425
Workmen's Compensation Fund	3,417,356
Learnerships and Internships	5,193,925
Travel and subsistence	5,351,682
Skills Development Fund Levy	5,478,897
Signage	29,485
Fuel and oil	15,118,595
Postage and courier	1,879,785
Storage of Files (Archiving)	92,639
Uniform and protective clothing	2,176,044
Printing - Publications and books	3,129,659
Contribution to provisions - Rehabilitation of Landfill Sites	7,656,950
Honoraria (Voluntarily Workers)	2,000
Professional bodies, membership and subscription	6,919,808
Telephone and fax	8,602,883
Transport provided as part of departmental activities	3,508,252
Gifts and Promotional Items	15,800
Travel agency fees	222,323
Achievements and Awards	1,116
Title deed search fees	163,331
Municipal services	71,590,661
Rewards Incentives	11,798
Registration fees	309,578
Bursaries	2,121,488
Indigent relief	4,617,737
Remuneration to Ward Committees	1,624,000
Chemicals	4,319,324
Licences	1,596,837
Entertainment - Councillors	36,481
Entertainment - Mayor	53,876
Entertainment - Senior Management	26,001
Catering municipal activities	10,038,216
	231,024,063

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41. Cash generated from operations

Deficit for the year	
Adjustments for:	
Depreciation and amortisation	(113,660,948)
Gain on sale of assets and liabilities	
Inventory write off	455,223,430
Finance costs - Finance leases	520,827
Bad debts written off	679,418
Impairment of debtors	76,164
Movements in operating lease assets and accruals	23,416,680
Movements in retirement benefit assets and liabilities	72,265,685
Movements in provisions	319,095
Movement in long service award	(57,838,377)
Changes in working capital:	
Inventories	7,773,023
Other receivables from exchange transactions	839,637
Trade receivables from exchange transactions	
Trade receivables from non-exchange transactions	8,006,384
Deposits	(32,816,444)
Trade and other payables from exchange transactions	(133,794,817)
Value Added Tax	6,326,874
Other payables from non - exchange transactions	(504,866)
Unspent conditional grants and receipts	384,289,224
Consumer deposits	(12,731,307)
	4,958,211
	(4,814,716)
	3,742,433
	612,275,610

42. Auditors' remuneration

Fees	
	7,481,298

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43. Correction of Accounting error

Balance (take on) - Accumulated Surplus as at 11 August 2016	(5,692,074,480)
Correction of error - Nett effect on accumulated surplus	(380,742,462)
	(6,072,816,942)

The reported opening accumulated surplus has been adjusted with the following identified errors:

Adjustments affecting the statement of financial position:

Increase in accumulated depreciation - Accounting for accumulated depreciation on electricity infrastructure assets (refer to note 1.1)	(3,167,236)
Increase in accumulated depreciation - Accounting for accumulated depreciation on roads infrastructure assets (refer to note 1.1)	(18,947,056)
Decrease in work-in-progress - Capital expenditure previously recorded as work-in-progress that did not meet the recognition criteria in terms of GRAP 17 (refer to note 1.2)	(22,807,784)
Increase in assets - Completed infrastructure electricity projects previously expensed (refer to note 1.3)	279,979,304
Increase in assets - Completed infrastructure projects previously expensed (refer to note 1.3)	42,712,384
Increase in assets - Completed water infrastructure projects previously expensed (refer to note 1.3)	122,728,939
Prior year correction of error - Landfill sites fair value adjustment (refer to note 1.4)	(475,092)
Correction of error - Landfill sites interest (refer to note 1.4)	12,775
Correction of error - Net effect on input VAT claim (refer to note 1.5)	9,922,850
Correction of error - Net increase in Trade and other payables from exchange transactions (refer to note 1.5)	(31,669,993)
Correction of error - Reduction in traffic fines previously recognised (refer to note 1.6)	6,036,428
Correction of error - Reversal of amortisation incorrectly calculated (refer to note 1.7)	3,844,998
Correction of error - Accumulated depreciation on infrastructure assets completed previously recorded as work-in-progress (refer to note 1.1)	(441,360)
Correction of error - Water infrastructure assets not depreciated (refer to note 1.1)	(14,973,211)
Correction of error - Adjustment of unit rate applied on newly identified assets (refer to note 1.8)	7,986,516
	380,742,462

Notes:

1.1 Accounting for depreciation for assets that were previously not calculated due to assets not being recognised or assets transferred from work-in-progress.

1.2 Reversal of work-in-progress incorrectly capitalised. The recognition criteria according to GRAP 17 not satisfied.

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- 1.3 Expenditure incurred previously not capitalised.
- 1.4 Adjustment of discount factor and fair value adjustment for the provision for landfill sites.
- 1.5 Nett increase in trade payables for transactions relating to the disestablished entities and the corresponding input VAT.
- 1.6 Reduction in the traffic fines previously recognised and the corresponding impairment.
- 1.7 Correction of amortisation on intangible assets incorrectly recognised.
- 1.8 Correction of the unit rate applied on newly identified assets based on the deemed cost.



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44. Commitments

Authorised capital expenditure

Already contracted for

• Infrastructure - Water	236 330 032
• Infrastructure - Roads, Pavement and Stormwater	367 996 217
• Infrastructure - Electricity	20 479 428
• Infrastructure - Waste Water	73 866 862
• Infrastructure - Solid Waste / Landfillsites	211 760
• Buildings	14 336 339
• Community Halls	4 429 746
• Sports and Recreational Facilities	843 649
	718 494 033

The expenditure will be funded as follows:

• Government grants	693 748 746
• Internal funding	23 514 496
• Service contribution	1 230 791
	718 494 033

Total capital commitments

Already contracted for	718 494 033
Funded	(783 585 031)
	65 090 998

Authorised operational expenditure

Already contracted for but not provided for

• Typical Work Stream - Electrification	8 733 710
• Typical Work Stream - Spatial Planning	20 372 741
• Typical Work Stream - Meter conversion and replacement	833 899
• Typical Work Stream - Intergrated Public Transport Network	53 915 104
• Operational Infrastructure projects - Water	20 383 415
• Typical Work Stream - Water savings initiatives	222 953
• Typical Work Stream - Financial Management	7 839 991
• Typical Work Stream - Strategic Management - Business plans	29 956 377
• Typical Work Stream - Strategic Management - Development of field operational guide	164 608
	142 422 798

Total operational commitments

Already contracted for but not provided for	142 422 798
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Operating leases - as lessee (expense)

Minimum lease payments due

- within one year	1 164 529
- in second to fifth year inclusive	1 668 721
	2 833 250

Total future minimum sublease payment expected to be received under non-cancellable sublease

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Operating Leases consists of the following:

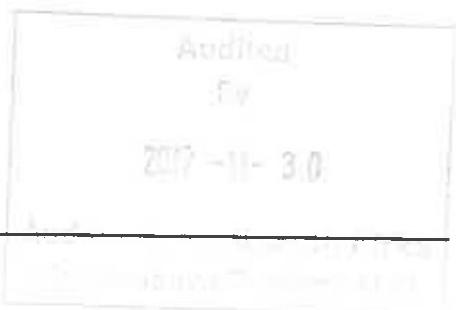
Operating lease payments represent rentals payable by the municipality for certain of its office properties. Leases are negotiated for an average term of five (5) years. No contingent rent is payable.

Operating leases - as lessor (income)

Minimum lease payments due

- within one year	2,893,763
- in second to fifth year inclusive	5,685,377
- later than five years	246,416
	8,825,556

Certain of the municipality's equipment and buildings is held to generate rental income. Rental of equipment and buildings is expected to generate rental yields on an ongoing basis. Lease agreements have terms from 3 to 6 years. There are no contingent rents receivable.



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45. Contingencies

Contingent liabilities

Damage claims

RK Phembe / Minister / Mbombela Local Municipality (MLM) - A claim against council was instituted through High court summons received for unlawful arrest and defamation. The municipality is contesting the claim based on external legal advice through the appointment of KT Mokoena attorneys and legal representatives. A court date was set for October 2013 and plaintiff passed away.	2,050,000
Finishing touch 544 (PTY) LTD vs Mbombela Local Municipality. A damages claim against council through high Court Combined Summons served with case 66425/12 for the UB 40 concert to the amount of R 1 557 166.00. Council is contesting the case through appointed legal representatives, Kruger & Partners. Council requested security of costs of which the plaintiff did not comply with the request.	1,557,166
Teku Trading cc vs Mbombela Local Municipality. A claim against council has been instituted through combined summons. High Court Case number 74689/2014 for the amount of R 2 699 000.00. The case was defended - Our attorneys on record - Swanepoel & Partners - summary Judgment application resisted and filed counter claim.	2,699,000
S Mhaule vs Mbombela Local Municipality. A claim against council has been instituted through combined summons - Magistrate's Court with a case number 996/2013 to the amount of R 19 000.00 for "verbal agreement". The case is defended through appointed legal representatives - Nkosi Attorneys & associates.	19,000
Ensemble Trading 546 LTD / Mbombela Local Municipality (MLM) - A procurement dispute claim through High Court summons emanating from a forged cession of payment agreement which was not honoured by council. Council is contesting the claim based on external legal advice. Council was granted leave to appeal to defend and an undertaking not to proceed with the summary judgment was made by the applicant's legal representatives. The case is dormant.	2,540,043
SCIFIN (PTY) LTD / Mbombela Local Municipality (MLM) - A procurement claim against council due to termination of a service contract between council and Gestetner, which was ceded to SCIFIN. Council is contesting the claim based on external legal advice through appointed legal representatives - Mzuzu Attorneys. A court date was set for 6 August 2013 and the case was therefore postponed sine die. Negotiations are underway by both parties.	535,358
Basil Read / Mbombela Local Municipality - A claim against council has been instituted through summons for operational expenses, goods supplied & services rendered to the amount of R 1 142 863.64. The claim is defended through Sinky Nkosi/ Meintjies & Khoza Attorney as a legal representatives of the total amount claimed, an amount of R 374 357.60 plus VAT and 15.5% interest was settled out of court as council was not in dispute. Leave to defend the balance amounting to R 768 506.04 was granted.	768,506
Department of Water Affairs / Mbombela local Municipality - Unilaterally amended agreement for the provision of free raw water for a period of 6 years within the Nsikazi / Kanyamazane area.	11,510,110
An application was made to National Treasury for condonation of the unauthorised expenditure on conditional grants incurred during 2009/2010 and 2010/2011 financial years. The municipality is awaiting the pending outcome of the request after all supporting evidence was submitted in collaborating of the unauthorised expenditure which was outside the respective conditional grants framework. Municipal Infrastructure Grant: R 163 400 959 and Public Transport Infrastructure Grant: R 41 177 177)	204,578,136

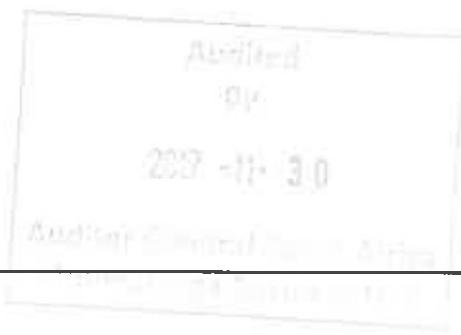
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Mahlatse David Makhubedu // SALGBC and Mbombela Local Municipality. This matter involves the alleged constructive dismissal of the employee who then referred a dispute to the Labour Court. Msikinya Attorneys in Johannesburg are handling the matter.	552,961
Lomar Gerhardus Breedt // Munisipaliteit van Mbombela The applicant brought a claim of unlawful and unjustified arrest against an employee (Traffic Officer) Applicant proceeded and obtained default judgement against the Municipality.	134,893
Tlou Consulting (Pty) Ltd was appointed under bid 38/2013 to update and maintain the immovable asset register for a period of three years ending 30 June 2017. A dispute has arisen due to non-performance on agreed deliverables as stipulated on the service level agreement. The matter is currently under mediation.	14,052,481
Total contingent liabilities	<u>240,997,654</u>
Contingent asset	
Contract claims	
Mbombela Local Municipality / Du Toit smuts & Mathews Phosa Attorneys - Council is claiming for breach of contract for guarantees not sustained. The claim is pursued through external legal representatives appointed - KT Mokoena.	1,135,463
Mbombela Local Municipality / desert wind Properties - Council is claiming for recovery of service contributions and breach of service agreement. The claim is pursued through external legal representatives appointed - K T Mokoena.	7,000,000
Mbombela Local Municipality / Lowveld society - Council is claiming the land that was designated for the Lowveld Show from the Lowveld Society. The claim is pursued through external legal representatives appointed - BDK Attorneys. The value of the land has not been determined.	30,000,000
Total contingent asset	<u>38,135,463</u>
Total contingencies	<u>279,133,117</u>



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46. Related parties

Remuneration of management is disclosed Note 32 to these annual financial statements.

Remuneration of councillors and other in-kind benefits is disclosed in Note 33 and appendix C to these interim financial statements.

Mbombela Economic Development Agency (MEDA) was established by the Municipality as a service utility in terms of Section 86H of the Municipal Systems Act No 32 of 2000 through the passing of the by-law. The municipality has significant influence over the agency. The agency is a dormant section 21 company.

Umsebe Accord is a Non Profit company established to pursue public benefit objectives entrusted with the four municipalities namely, Matola Municipality, The City of Mbabane, Nkomazi Local Municipality and Mbombela Local Municipality. The objectives and functions of the company (entity) amongst others include promotion of local economic development initiatives and meeting the strategic objectives of the four cities as registered in the Memorandum of Incorporation. The Board of Directors constitutes representatives from all the four cities (municipalities) nominated to represent each municipality accordingly. The filling of the position for Chief Executive Officer is underway.

The Umjindi Local Development Agency (UMLEDA) was incorporated on the 30th of October 2008. Former Umjindi Local Municipality (combining entity) held 100% shares of Umjindi Local Economic Development Agency (UMLEDA). City of Mbombela (combined entity) has at its meeting held 27 October 2016 under item A(11) resolved to approve the name change of the entity to City of Mbombela Development Agency however due to the unfolding of the recruitment processes of the Board of Directors for the agency, the name change could not be finalised as at the reporting period ended 30 June 2017 and prior to the approval of these financial statements. The objectives and functions of the agency (entity) is to drive and champion local economic development initiatives in order to achieve job creation and poverty alleviation as per the National Development Plan and also to promote investment attraction and SMME development.

The Council for the former Mbombela Local Municipality (Combining entity) has at its meeting held 26 February 2015 under item A(4) resolved to approve the establishment of the Mbombela Economic Development Partnership. The Mbombela Economic Development Partnership was constituted as an independent not for profit company established in terms of the Companies Act, No 71 of 2008.

The overriding objective of Mbombela Economic Development Partnership is to meet the City's economic development strategic outcomes in partnership with the community in order to stimulate the economy by focusing on sector support thus creating an enabling environment that will attract investment, stimulate increased job creation, skills transfer, youth and small business development, resource resilience and liveable and safe community development.

Additional text

Additional text

The Mbombela Economic Development Partnership is responsible for the following core functions:

- Mobilisation and establishing partnerships for thematic programmes
- Communication, Promotion, Intelligence Distribution
- Coordination and facilitation of spatial, sector and/or project interventions
- Facilitate dialogue amongst key stakeholders

Related party transactions

Description

Grant funding / Subsidy	600,000
Grant funding / Subsidy	1,108,446
	1,708,446

The funding amount of R 600 000 was made available to Mbombela Economic Development Partnership to assist with initiation costs which includes the statutory requirements, stakeholder facilitation and administration costs.

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The funding amount of R1 108 446 was transferred to the Umsebe Accord NPC during the reporting period as the contribution by the City in accordance with the Inter- Municipal Multilateral Protocol between Matola, Mbabane, Mbombela and Nkomazi municipalities.

47. Mergers

Mergers occurring during the current reporting period

The former Mbombela and Umjindi local municipalities (combining entities) were disestablished and a category B municipality named City of Mbombela (combined entity) was established as determined by the Demarcation Board and in terms of the Mpumalanga Provincial Notice 70 of 2016, Gazette No 2721 No acquirer could be identified.

All assets and liabilities of the combining entities (Former Mbombela and Umjindi local municipalities) were taken over by the combined entity (City of Mbombela) from 11 August 2016. These financial statements for the combined entity is for the period 11 August 2016 to 30 June 2017.

The accounting policy as outlined in Generally Recognised Accounting Practice 107 was adopted for the merger. The difference between the carrying amounts of the assets acquired and the liabilities assumed and any variance was taken to the separate line item in net assets.

Value of assets acquired and liabilities assumed

Assets acquired

Property, plant and equipment	6,627,430,221
Inventory	109,621,958
Receivables from exchange transactions	149,169,389
Receivables from non-exchange transactions	64,144,816
Investment Property	343,548,128
Investments	16,266,294
Non Current receivables	3,271,244
Intangible assets	5,270,899
Heritage assets	2,301,970
VAT Receivable	61,580,845
Other Current Financial assets	3,103,795
Cash and cash equivalents	26,355,323
	7,412,064,882

Liabilities assumed

Borrowings	310,416,745
Payables from exchange transactions	820,732,213
Consumer deposits	30,851,249
Defined Benefit obligation	198,804,671
Provisions	179,635,720
Trade and other payables from non exchange transactions	179,278,261
Operating lease liability	271,543
	1,719,990,402

Adjustments to the basis of accounting in net assets

Correction of prior period accounting errors	372,755,946
	372,755,946

Difference between the carrying amounts of the assets acquired and the liabilities assumed and any adjustments required to the basis of accounting, in net assets

6,064,830,426

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48. Additional disclosure in terms of Municipal Finance Management Act

Contributions to the South African Local Government Association (SALGA)

Balance (take on)	847,684
Council subscription	6,698,768
Amount paid - current year	(6,698,768)
Amount paid - previous years	(847,684)
	-

Audit fees

Current year audit fees	7,481,298
Amount paid - current year	(7,204,960)
	276,338

The unpaid balance is the amount for June 2017 which was payable in July 2017.

PAYE, UIF and SDL

Current year payroll deductions	98,465,506
Amount paid - current year	(88,627,037)
	9,838,469

The unpaid balance is the amount for June 2017 which was payable in July 2017.

Pension and Medical Aid Deductions

Current year payroll deductions and council contributions	154,173,197
Amount paid - current year	(139,953,478)
	14,219,719

The unpaid balance is the amount for June 2017 which was payable in July 2017.

VAT

VAT receivable	84,235,002
----------------	------------

Balance (take on)	33,790,725
Total amount claimed from SARS during the year	110,975,652
Total amount received during the year	(122,288,151)
Adjustments	(243,013)
VAT receivable	61,999,789
VAT receivable (as per VAT 201)	84,235,002

VAT receivable (as per VAT 201)	22,235,213
Net VAT on accruals	61,999,789
VAT receivable	84,235,002

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Councillors' arrear consumer accounts

30 June 2017	Outstanding less than 90 days R	Outstanding more than 90 days R	Total R
Cllr AA Kumba	92	520	612
Cllr L Ngwenyama	383	322	705
Cllr ME Nsimbini	384	3,484	3,868
Cllr PV Mkhatswa	1,413	4,057	5,470
Cllr TMJ Grove Morgan	714	3,113	3,827
Cllr MJ Hlophe	945	5,935	6,880
Cllr NE Gcelo - Mkhabela	4,081	3,057	7,138
Cllr ME Jacobs	4,306	7,607	11,913
Total councillors arrear consumer accounts	12,318	28,095	40,413

Distribution losses in terms of MFMA 125(2)(d)(i)

Material losses incurred during the year under review were as follows:

Electricity

Electricity purchased (KW)	633,032,042
Electricity sold (KW)	542,085,732
Electricity losses in KW	90,946,311
% loss	14.37

Electricity losses in KW

Unit cost per KW

Electricity losses in Rand value

90,946,311
0.81

73,666,512

Water

Water pumped and distributed (KI)	4,309,773
Water sold (KI)	3,432,429
Water distribution losses in KI	877,343
% loss	20.36

Water distribution losses in KI

877,343
4.45

Water losses in Rand value

3,904,177

49. Deviation from supply chain management regulations

In terms of regulations 36 of the Municipal Supply Chain Management Regulations any deviation from the Supply Chain Management Policy needs to be approved/condoned by the Municipal Manager and noted by Council. The expenses incurred as listed hereunder have been condoned.

Deviations from Supply Chain Management Policy

34,658,676

Refer to Appendix E for details of the Supply Chain Management deviation.

2017-11-30

Notes to the Financial Statements

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50. Unauthorised expenditure

Balance (take on)	268 437 404
Add: Unauthorised Expenditure - current year	285 959 601
Less: Amounts condoned	(149 000 000)
	405 397 005

The unauthorised expenditure incurred relates to the overspending of the approved operating budget. Council has at its meeting held 24 August 2017 under item A(5) condoned an amount of R 149 000000 which was an overspending on the operating budget mainly on depreciation and employee related costs.

51. Fruitless and wasteful expenditure

Balance (take on)	33 173 060
Add: Fruitless and Wasteful Expenditure - excessive prices	11 300
Add: Fruitless and Wasteful Expenditure - interest charged	14 541 547
	47 725 907

The fruitless and wasteful expenditure relates to interest charged on payments which were not made within 30 days on receipt of an invoice or statement in compliance with Section 65 of the Municipal Finance Management Act, 2003

The fruitless and wasteful expenditure incurred also includes expenditure on excessive prices for goods and services

The expenditure has been reported to Council and investigation on the recoverability was underway as at the reporting period.

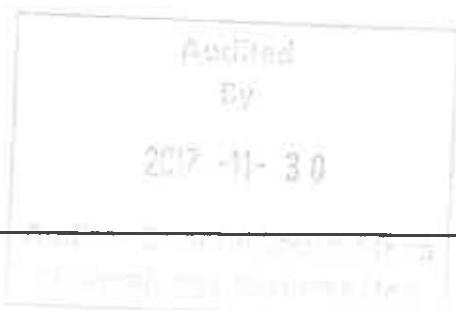
52. Irregular expenditure

Balance (take on)	1 100 376 886
Add: Irregular Expenditure - current year	348 397 757
	1 448 774 643

Details of irregular expenditure – current year

	Disciplinary steps taken/criminal proceedings	
Appointment of service providers without following the normal supply chain management processes to the latter.	Investigation underway	39 971 970
Continuation of multiple extended contracts declared irregular during the 2015/2016 financial year.	Investigation is on going and the process of reviewing the multiple extended contracts in order to renegotiate reduced terms is unfolding.	308 425 787
		348 397 757

The irregular expenditure incurred during the 2015/2016 financial year for both former Mbombela and Umjindi Local Municipalities (combining entities) is currently under investigation. The investigation will be finalised during 2017/2018 financial year.



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53. Risk management

Financial risk management

The Municipality has exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Municipality's exposure to each of the above risks and the Municipality's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout the annual financial statements.

Council has established a risk management committee, which is responsible for reviewing the effectiveness of the institutional risk management systems, policy, procedures and practices.

Credit risk

Is the risk of financial loss to the Municipality if a consumer or counterparty to a financial instrument fails to meet its contractual obligations.

- Trade and other receivables from exchange transactions
- Non-current receivables from exchange transactions
- Investments
- Non-current investments
- Other non- current financial assets
- Cash and cash equivalents

Trade and other receivables from exchange transactions

The Municipality's trade and other receivables exposure to credit risk is influenced mainly by the individual risk characteristics of each consumer. Consumer receivables comprise of services supplied by the Municipality such as water, sanitation and rates levied. The Municipality's exposure is continuously monitored. The Municipality establishes an allowance for impairment that represents its estimate of incurred losses in respect of consumer and other receivables. No consumer or other receivables have been pledged as security. Certain consumer and other receivables that were past due have been defaulted on by counterparties, thus legal action has been instituted against these parties in an attempt to recover this debt, where debt is irrecoverable it has been written off. No conditions or terms of the consumer and other receivables have been re-negotiated with counterparties

Investments

It is the Municipality's practice to limit its credit risk by only investing in registered banks in terms of the Banks Act, 94 of 1990. Given the high credit ratings of these financial institutions the Municipality does not expect any counterparty to fail to meet its obligation.

Cash and cash equivalents

The Municipality limits its credit risk by only banking with registered financial institutions in terms of the Banks Act, 94 of 1990 operating in South Africa.

Maximum exposure to credit risk at reporting date for each class of financial assets was:

Cash and cash equivalent	23,864,280
Non - current investments	17,260,144
Trade and other receivables	142,084,555
Trade receivables from non-exchange transactions	62,343,502
Non-current receivables	351,394
Deposits	4,535,819
Other receivables from exchange transactions	81,774,317

Audited By	2017 - II - 30
	2017 - II - 30
	332,214,011

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Impairment disclosure for current financial assets carried at amortised costs

All of the Municipality's financial assets have been reviewed for indicators of impairment. Certain receivables and investments were found to be impaired and a provision of R 71 286 239 has been recorded accordingly. The impaired consumer receivables are mostly due from consumers defaulting on service costs levied by the Municipality. Refer to Note 7 for the impairment reconciliation of consumer and other receivables.

Market risk is the risk that changes in the market prices, such as interest rates and equity prices will affect the Municipality's income or the value of its holdings of financial instruments.

Interest rate risk

The Municipality limits its interest rate risk on financial liabilities by ensuring that reasonable fixed interest rates are negotiated on long term borrowings and are therefore not linked to the interest bank repurchase rate. The municipality has only four interest bearing borrowings as indicated in Appendix A.

At year end, financial instruments exposed to interest rate risk were as follows:

- Investments
- Borrowings

Fair value sensitivity analysis on fixed rate instruments

The Municipality does not account for any fixed rate financial assets and liabilities at fair value through surplus and deficit, therefore a change in interest rates at reporting date will not affect surplus for the year.



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Liquidity risk

Liquidity risk is the risk that the Municipality will not be able to meet its financial obligations as they fall due. The Municipality's approach to managing liquidity is to ensure as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unauthorised expenditure. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities. Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored. The Municipality has not defaulted on external loans, payables and lease commitment payments being either interest or capital and no re-negotiation of terms were made on any of these instruments.

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Up to 1 Year

Current portion of borrowings	17,954,254
Other financial liabilities	3,544,397
Trade and other payables from exchange transactions	1,249,757,122
Trade and other payables from non - exchange transactions	7,846,381
Consumer deposits	34,593,682
Finance lease liability	1,941,807
	1,315,637,643

1 - 5 years

Non - current portion of borrowings	104,326,494
Finance lease liability	4,632,909
	108,959,403

> 5 years

Borrowings	183,422,265
------------	-------------

Concentration of credit risk

The concentration of the credit risk associated with:

Borrowings	24 %
Other financial liabilities	6 %
Trade and other payables from exchange transactions	73 %

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54. Public-Private Partnership - Concession Agreement

The former Mbombela Local Municipality (combining entity) signed a 30 year concession agreement in April 1999 with SembCorp Silulumanzi (Proprietary) Limited previously known as the Greater Nelspruit Utility Company (GNUC) for provision of water and sanitation services as well as servicing the growing expectations of the communities on behalf of the municipality. The concession agreement became effective from 1 November 1999 and is subjected to review every five years through the supplementary agreements. The concession areas boundaries are the municipal boundaries of the previous Nelspruit Transitional Council and any extension of services outside the developed areas are dealt with on a case by case basis.

Supplementary agreement number four (4) was concluded during 2014/2015 financial year and it became effective 1 November 2014 until 31 October 2019 in accordance with five year period review process.

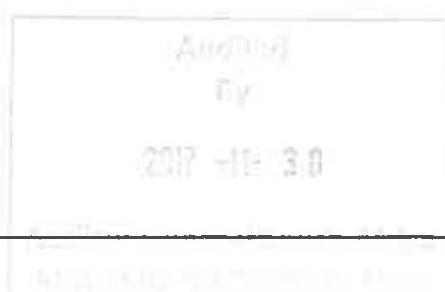
The Concessionaire is obligated to ensure that the communities within the concession area have access to a 24 - hour water supply to all formal households and to use best efforts to improve the number of households in informal areas with 24 - hour water supply. It is also a requirement that the Concessionaire must provide portable water and effluent quality in compliance with the National Water Quality Standards.

The concessionaire leases and operates water services delivery assets within the concession area at a rental of R 189 666.25 per month for the remainder of the term of the Concession agreement. The assets are controlled by the Municipality and are recorded in the assets register of the Municipality as Property, Plant and Equipment. The Concessionaire recognises the right to use those assets as intangible assets in accordance with IFRIC 12. The operating lease commitments for the leased assets has been disclosed in Note 44 to these financial statements.

The concession agreements provides for the concessionaire to maintain, refurbish, rehabilitate and improve the assets within its operations and collection of water and sanitation revenue within the Concession area. The water and sanitation tariffs for the Concessionaire are approved by Council for implementation in terms of section 24 of the Municipal Finance Management Act No.56 of 2003. The concessionaire acts as a project manager for construction of new infrastructure within the concession area which is funded by the Municipality. The Concessionaire is obligated to ensure that the assets are adequately maintained each year.

The concession agreement may be terminated by either party with effect from any date after the natural end of the concession contract in the year 2029 or the date of termination of the concession agreement, whichever is earlier, provided that at least 24 months prior written notice has been given by the party intending to cancel the concession agreement to the other party.

All assets operated by the Concessionaire will be transferred back to the Municipality in a good condition on termination of the concession agreement.



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55. Budget differences

Material differences between budget and actual amounts greater than 10% based on the Table A1 of the budget schedules in accordance with the Municipal Budget and Reporting regulations No.32141

Statement of Financial Performance:

Revenue:

1. Investment revenue

The variance is due to the cash flow constraints faced by the City. The financial situation has resulted in minimal investments being made during the year. The City has taken a resolution to develop and implement stringent cost curtailment measures in order to be able to build cash backed reserves.

2. Operating Government Grants and Subsidies

The variance is as a result of the expenditure item classification basis. The expenditure incurred on the capital conditional grants for which the item segment does not meet the asset identification and recognition criteria is expensed. The major cost driver is the expenditure incurred for a portion of the Municipal Infrastructure Grant used for the management of the Project Implementation Unit and also the operational expenditure incurred on planning and technical advisory function for the taxi operators which is funded through the Public Transport Network Grant.

3. Other own revenue

The performance of other own revenue is due to the following cost drivers:

3.1 Rental of facilities and equipment

The variance is mainly due to the under performance of the Stadium facility. The City has embarked on a feasibility study for the stadium management model to be adopted and implemented. Council has implemented the revenue enhancement strategy at its meeting held 31 May 2017 under item A(3). The strategy includes amongst others, the implementation of the stadium management model.

3.2 Agency fees

The variance is as a result of the accounting and classification basis differences. The total amount (gross inflows) collected on behalf of the (principal) Department of Community Safety, Security and Liaison is budgeted for in full however for financial reporting purposes, the gross inflows of economic benefits or service potential does not result in an increase in net assets for the City. The agency commission received or receivable can only be recognised as revenue in accordance with the principles of Generally Recognised Accounting Practice (GRAP) 9 on agent and principal relationship.

3.3 Fines

The variance is as a result of lack of enforcement measures to execute Warrant of Arrest through the Automated Number Plate Recognition Bus. The approved revenue enhancement strategy makes provision for the activities to enhance the revenue from traffic fines through implementation of various measures.

3.4 Other revenue items

The variance is mainly attributable to the performance of bad debts recovered revenue item. Irrecoverable debts are written off upon approval by Council and subsequently handed over to appointed debt collectors. The other cost driver is the under collection of the service contribution revenue against the budget projection amount.

Expenditure:

4. Depreciation

The variance is due to the process undertaken to physically verify all assets for the Combined entity after amalgamation of the two combining entities for the purpose of compiling a credible asset register. The City also verified completed projects which were classified as in-progress and the correct accounting principle was applied and that has impacted on the depreciation budgeted amount.

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6. Finance Costs

The major contributing factor is the interest charged by creditors for payments made after 30 days on receipt of the invoice or statement which has been disclosed in note 48 as Fruitless and Wasteful Expenditure. The other cost driver is the interest cost on the provision for the rehabilitation of landfill sites.

6. Other Expenditure

The performance of other own expenditure is due to the following cost drivers:

6.1 Contracted Services

The variance is as a result of the expenditure item classification basis. The expenditure incurred on the capital conditional grants for which the item segment does not meet the asset identification and recognition criteria is expensed. The major cost driver is the expenditure incurred for a portion of the Municipal Infrastructure Grant used for the management of the Project Implementation Unit.

6.2 Other materials

The variance is mainly attributable to the fuel consumption on the City's fleet in rendering services to the community.

6.3 General Expenses

The variance is as a result of the accounting basis differences. The major cost driver is due to the expense on landfill sites provision on fully depreciated landfill sites in accordance with the Generally Recognised Accounting Practice 19.

6.4 Transfers and Grants paid

The variance is as a result of the basis differences. The 6kl free basic water within the concession area is the major cost driver for the actual expenditure incurred.

6.5 Bulk Purchase

The variance on bulk purchase is as a result of the winter tariff charged by Eskom on the bulk electricity accounts.

Statement of Financial Position:

7. Current Assets

The variance on the current assets is due to the Value Added Tax (VAT) receivable amount at year end from South African Revenue Services (SARS), accounting for the land held for sale which was taken on from the combining municipalities and trade receivables from exchange and non exchange transactions.

8. Non-Current Assets

The variance is due to the process undertaken to physically verify all assets for the Combined entity after amalgamation of the two combining entities for the purpose of compiling a credible asset register. The City also verified completed projects which were classified as in-progress and the correct accounting principle was applied and classified under Property, Plant and Equipment.

9. Current liabilities

The variance is as a result of the increased trade and other payables from exchange transactions balances and the unspent conditional grants. The City has taken a resolution to develop and implement stringent cost curtailment measures in order to be able to build cash backed reserves to be able to meet its financial and liquidity management objectives.

Cash Flow Statement:

10. Net cash flows from operating activities

The variance is due to the under collection of other income items which includes traffic fines, rental of facilities and equipment, revenue collected from bad debts recovered and service contribution revenue. The approved revenue enhancement strategy includes various measures to unlock and enhance the revenue for the City.

11. Net cash flows used in investing activities

The variance is mainly attributable to the reprioritisation of capital projects due to the cash flow constraints faced by the municipality.

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12. Net cash from financing activities

The variance is due to the incurring of the short term debt financing amounting to R50 million as per Council resolution of 18 January 2017 under item A(1). The short term debt was repaid during the year and it is therefore included as part of the movement on the cash and cash equivalent.

Changes from the approved budget to the final budget

The changes between the approved and final budget are a consequence of reallocations within the approved budget parameters. The original approved budget was amended to include the roll over committed capital projects, to project and align the revenue and expenditure with the set targets and milestones based on the mid year budget performance assessment and the previous financial year's audited annual financial statements for the two combining entities. The other factors include accommodating of additional expenditure as a result of the amalgamation processes and also to exclude the audited revenue and expenditure for the combining entities as at 10 August 2017 as the consolidated budget for the City of Mbombela approved by Council on 18 August 2016 was a consolidation of the two combining entities budgets which were approved in May 2016. The changes between the approved adjusted budget and the final approved budget is as a result of the budget virements in line with the approved virement policy of Council.

56. Change in accounting estimates

Provision of Landfill site rehabilitation

The provision for the rehabilitation of landfill sites was revised at year end and was recognised in the surplus or deficit for the reporting period.

The effect of the change in accounting estimate on the current year's depreciation was a decrease of R 3 005 for the Tekwane Landfill site, an increase of R 74 229 for the Barbeton Landfill site and a decrease of R 965 678 for the Hazyview Landfill site. The change in accounting estimate was added to the cost of the related asset in the current reporting period. The total overall effect of the future periods is a cumulative net decrease in depreciation cost of R 1 364 948 over the remaining useful life of the related assets. The effect of the change in future periods will be a decrease in the annual depreciation expense amounting to R 3 005 totalling to R 249 415 over the remaining useful life of the Tekwane Landfill site, an increase in the annual depreciation expense amounting to R 74 229 totalling to R 1 781 500 over the remaining useful life of the Barbeton landfill site and a decrease in the annual depreciation expense amounting to R 965 678 totalling to R 2 897 031 over the remaining useful life of the Hazyview landfill site. The overall impact on the finance costs will decrease by R 56 485 in the following financial year.

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57. Financial Sustainability and Liquidity Management

The City has been unable to meet all its current obligations by paying service providers within 30 days on receipt of invoice or statement in accordance with Section 65 of the Municipal Finance Management Act No 56 of 2003. Interest charged by suppliers have been disclosed as fruitless and wasteful expenditure to these financial statements.

The City has incurred a net loss of R 113 660 948 on financial performance during the reporting period ended 30 June 2017. The net loss takes cognizance of other non-cash items which include depreciation and debt impairment. Liquidity management objectives have not been entirely met as the cash coverage ratio was less than a month which is below the norm of three months and the current ratio was fragile as the current liabilities exceeded the current assets by R 994 774 012 with an outcome assessment of less than one. The municipality was not able to maintain 100 per cent level of cash backed reserves during the reporting period. A material amount of receivables have been impaired due to non-collectability. Payment arrangements have been with major suppliers given the financial constraints of the City.

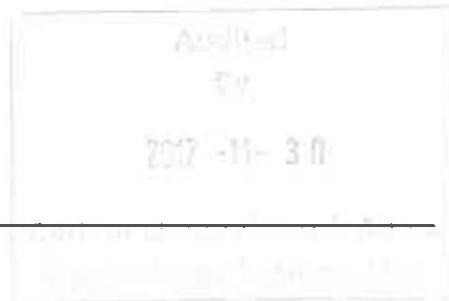
Council has at its meeting approved the liquidity policy at its meeting held 31 May 2017 under item A(3) (c) for implementation. The liquidity policy seeks to give guidance for maintaining sufficient liquidity intensities to meet the liabilities when due under both normal and stressed conditions without incurring any prohibited expenditure. Furthermore, the Revenue Enhancement Strategy for the City was approved by Council at the same sitting under item A(4).

A turnaround plan was developed to improve the liquidity management objectives of the City. The City has also undertaken stringent cost curtailment measures and budget reprioritization in order to minimize the expenditure not relating to service delivery.

The City has also developed Supply Chain Management sourcing strategy which was approved by Council at the meeting held 28 June 2017 under item A(4). One of the objectives of the sourcing strategy is to regulate prices on certain commodities in order to ensure that goods and services are procured in a most economic manner.

The City has requested intervention from National Treasury to conduct the Municipal Financial Management Capability Maturity assessment. The outcome of the assessment will be used to manage and monitor the cash/cost coverage ratio, current ratio and other ratios.

The municipality continues to aggressively implement the financial interventions and revenue collection strategies in order to improve financial sustainability and liquidity management objectives.



Appendix A

Unaudited Schedule of external loans as at 30 June 2017

	Loan Number	Redeemable	Balance at 11 August 2016	Received during the period	Redeemed written off during the period	Balance at 30 June 2017	Carrying Value of Property, Plant & Equip	Other Costs In accordance with the MFMA
							Rand	
Loan Stock								
Stock Loan@ 11.60%			1976/2001	3,000	-	-	3,000	-
				3,000	-	-	3,000	-
Annuity loans								
DBSA R21 600 000 @ base rate of R203 plus the Margin (10.74%)	2014/2019	14,036,280		-	4,317,870	9,718,410		
DBSA R22 000 000 @15.50%	1998/2016	1,953,525		-	1,953,525			
DBSA R138 600 000 @ base rate of R186 plus the Margin (11.73%)	2014/2029	133,706,832		-	(3,570,735)	137,277,567		
DBSA R200 000 000 @ 12.62%	2010/2030	148,635,320		-	(891,830)	149,527,150		
STD R25 000 000 @ 10.50%	2005/2020	10,494,583		-	2,315,364	8,179,219		
		308,826,540		-	4,124,194	304,702,346		
Annuity loans								
DBSA No 61000474	1997/2017	142,086		-	142,086			
DBSA R1 881 822.07 @ 14.50%	1998/2018	501,890		-	223,778	278,112		
DBSA R1 417 073.38 @ 15%	1999/2019	533,167		-	138,587	394,580		
DBSA R915 450.31 @ 16.50%	1999/2019	410,061		-	82,085	327,976		
		1,587,204		-	586,536	1,000,668		
Total external loans		310,416,744		-	4,710,730	305,706,014		

Appendix B

Unaudited Analysis of property, plant and equipment as at 30 June 2017 Accumulated depreciation

	Cost				Changes in accounting estimates				Opening Balance				Disposals				Transfers				Depreciation				Impairment loss				Closing Balance			
	Opening Balance	Additions	Disposals	Transfers	Revaluations	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand			
Land and buildings																																
Land	559 320 171	-	(1 686 950)	-	-	-	-	-	567 651 221	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Buildings	1 447 326 733	13 217 775	-	36 186 617	-	-	-	-	1 496 733 025	(491 742 726)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Infrastructure	2 006 646 904	13 217 775	(1 686 950)	36 186 617	-	-	-	-	2 064 384 246	(491 742 726)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Roads, Pavements, Bridges & Storm water	2 829 507 070	40 133 423	-	254 730 584	-	-	-	-	2 924 371 077	1 068 545 017	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Water reservoirs & reticulation	2 076 535 767	311 694	(3 456)	143 829 461	-	-	-	-	2 220 673 466	689 201 777	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Electricity	1 167 044 130	12 273 889	-	32 717 373	-	-	-	-	1 212 035 372	(540 793 884)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Waste management	53 928 709	350 000	-	(750 285)	-	-	-	-	(2 253 401)	51 270 023	(8 449 858)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Sewerage purification & reticulation	1 041 116 790	(269 370)	-	12 065 745	-	-	-	-	1 052 912 968	(340 061 668)	195 144	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Community Assets	6 964 133 466	52 793 416	(3 456)	442 592 879	-	-	-	-	(2 259 401) 7 461 262 904	2 647 052 202	196 269	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Libraries	21 777 246	-	-	-	-	-	-	-	21 777 245	(2 977 492)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
	21 777 245	-	-	-	-	-	-	-	21 777 245	(2 977 492)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				

Appendix B

Unaudited Analysis of property, plant and equipment as at 30 June 2017 Cost

	Accumulated depreciation													
	Opening Balance	Additions	Disposals	Transfers	Revaluations	Changes In accounting estimates	Closing Balance	Opening Balance	Disposals	Transfers	Depreciation	Impairment loss	Closing Balance	Carrying value
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
Heritage assets														
Other	2,537,117	-	-	-	-	-	2,537,117	(235,147)	-	-	-	-	(235,147)	2,301,970
Other assets	2,537,117	-	-	-	-	-	2,537,117	(235,147)	-	-	-	-	(235,147)	2,301,970
General vehicles	188,259,281	1,642,288	-	-	-	-	189,901,579	(113,582,479)	-	-	(20,758,153)	-	(134,340,632)	55,560,947
Plant & equipment	72,174,482	2,799,892	-	-	-	-	74,974,184	(2,839,046)	-	-	(11,153,581)	-	(13,932,827)	60,981,557
Computer Equipment	35,873,832	11,032,972	-	-	-	-	46,906,304	(1,788,363)	-	-	(3,496,557)	-	(22,284,920)	24,621,284
Furniture & Fixtures	38,057,574	2,256,521	-	-	-	-	40,314,995	(27,223,597)	-	-	(6,087,030)	-	(33,280,627)	7,023,466
Other Assets - Leased	6,754,290	-	-	-	-	-	6,764,290	(1,210,022)	-	-	-	-	(1,210,022)	5,544,288
334,865,189	24,485,163	-	-	-	-	-	368,886,352	(163,643,507)	-	(41,476,321)	-	-	(205,118,828)	163,731,524

Appendix B

Unaudited Analysis of property, plant and equipment as at 30 June 2017 Cost

	Opening Balance	Additions	Disposals	Transfers	Revaluations	Changes in accounting estimates	Closing Balance	Disposals	Transfers	Depreciation	Impairment loss	Closing Balance	Carrying value
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
Total property, plant and equipment													
Land and buildings	2,006,648,904	13,217,775	(1,668,950)	36,186,517			(2,259,401)	2,054,384,246	(491,742,720)	196,268		(56,157,511)	
Infrastructure	6,968,153,466	52,789,416	(3,456)	42,592,879								(352,664,459)	-2,939,520,392
Community Assets	21,777,245	-	-	-			21,777,245	2,647,052,202	(2,971,492)	-		(3,644,070)	18,133,175
Heritage assets	2,537,117	-	-	-			2,537,117	(235,147)				(235,147)	2,301,970
Other assets	334,355,189	24,485,183	-	-			368,850,362	(163,843,507)				(41,475,321)	(205,118,828)
9,333,461,921	90,562,354	(1,672,406)	478,779,398	-	(2,259,401)	9,898,811,864	3,305,051,068	184,269	-	(450,063,869)	-	(3,756,418,568)	5,142,383,196
Construction work in progress													
Infrastructure	982,113,580	518,987,189	-	(477,111,165)				1,013,989,604					-1,033,989,604
982,113,580	518,987,189	(477,111,165)	-	(477,111,165)	-	-	1,013,989,604	-	-	-	-	-1,033,989,604	-
Intangible assets													
Computers - software & other	7,745,957	7,929,169	-	-				15,675,126	(3,220,892)			(854,428)	(14,217,957)
Licence & services	5,388,637	-	-	-			5,368,637	(777,805)					(777,805)
13,114,694	7,929,169	-	-	-	-	-	21,043,763	(3,998,597)	-	-	(854,428)	(14,217,957)	16,047,991
Investment properties													
Investment property	361,897,862	-	-	-				361,897,862	(18,349,735)			(2,195,112)	
361,897,862	-	-	-	-	-	-	361,897,862	(18,349,735)	-	-	(2,195,112)	-	
Total	2,006,648,904	13,217,775	(1,668,950)	36,186,517			(2,259,401)	2,054,384,246	(491,742,720)	196,268		(56,157,511)	
Land and buildings	6,968,153,466	52,789,416	(3,456)	42,592,879								(352,664,459)	-2,939,520,392
Infrastructure	21,777,245	-	-	-			21,777,245	2,647,052,202	(2,971,492)	-		(3,644,070)	18,133,175
Community Assets	2,537,117	-	-	-			2,537,117	(235,147)				(235,147)	2,301,970
Heritage assets	334,355,189	24,485,183	-	-			368,850,362	(163,843,507)				(205,118,828)	153,731,524
Other assets	982,113,580	518,987,189	-	(477,111,165)			1,033,989,604					(14,217,957)	1,033,989,604
Construction work in progress	13,114,594	7,929,169	-	-			21,043,763	(3,998,597)				(854,428)	(14,217,957)
Intangible assets	381,897,862	-	-	-			361,897,862	(18,349,735)				(2,195,112)	(2,195,112)
Investment properties	361,897,862	-	-	-	-	-	361,897,862	(18,349,735)	-	-	(2,195,112)	(2,195,112)	
Total	2,006,648,904	13,217,775	(1,668,950)	36,186,517			(2,259,401)	2,054,384,246	(491,742,720)	196,268		(56,157,511)	
Land and buildings	6,968,153,466	52,789,416	(3,456)	42,592,879								(352,664,459)	-2,939,520,392
Infrastructure	21,777,245	-	-	-			21,777,245	2,647,052,202	(2,971,492)	-		(3,644,070)	18,133,175
Community Assets	2,537,117	-	-	-			2,537,117	(235,147)				(235,147)	2,301,970
Heritage assets	334,355,189	24,485,183	-	-			368,850,362	(163,843,507)				(205,118,828)	153,731,524
Other assets	982,113,580	518,987,189	-	(477,111,165)			1,033,989,604					(14,217,957)	1,033,989,604
Construction work in progress	13,114,594	7,929,169	-	-			21,043,763	(3,998,597)				(854,428)	(14,217,957)
Intangible assets	381,897,862	-	-	-			361,897,862	(18,349,735)				(2,195,112)	(2,195,112)
Investment properties	361,897,862	-	-	-	-	-	361,897,862	(18,349,735)	-	-	(2,195,112)	(2,195,112)	
Total	2,006,648,904	13,217,775	(1,668,950)	36,186,517			(2,259,401)	2,054,384,246	(491,742,720)	196,268		(56,157,511)	
Land and buildings	6,968,153,466	52,789,416	(3,456)	42,592,879								(352,664,459)	-2,939,520,392
Infrastructure	21,777,245	-	-	-			21,777,245	2,647,052,202	(2,971,492)	-		(3,644,070)	18,133,175
Community Assets	2,537,117	-	-	-			2,537,117	(235,147)				(235,147)	2,301,970
Heritage assets	334,355,189	24,485,183	-	-			368,850,362	(163,843,507)				(205,118,828)	153,731,524
Other assets	982,113,580	518,987,189	-	(477,111,165)			1,033,989,604					(14,217,957)	1,033,989,604
Construction work in progress	13,114,594	7,929,169	-	-			21,043,763	(3,998,597)				(854,428)	(14,217,957)
Intangible assets	381,897,862	-	-	-			361,897,862	(18,349,735)				(2,195,112)	(2,195,112)
Investment properties	361,897,862	-	-	-	-	-	361,897,862	(18,349,735)	-	-	(2,195,112)	(2,195,112)	
Total	2,006,648,904	13,217,775	(1,668,950)	36,186,517			(2,259,401)	2,054,384,246	(491,742,720)	196,268		(56,157,511)	
Land and buildings	6,968,153,466	52,789,416	(3,456)	42,592,879								(352,664,459)	-2,939,520,392
Infrastructure	21,777,245	-	-	-			21,777,245	2,647,052,202	(2,971,492)	-		(3,644,070)	18,133,175
Community Assets	2,537,117	-	-	-			2,537,117	(235,147)				(235,147)	2,301,970
Heritage assets	334,355,189	24,485,183	-	-			368,850,362	(163,843,507)				(205,118,828)	153,731,524
Other assets	982,113,580	518,987,189	-	(477,111,165)			1,033,989,604					(14,217,957)	1,033,989,604
Construction work in progress	13,114,594	7,929,169	-	-			21,043,763	(3,998,597)				(854,428)	(14,217,957)
Intangible assets	381,897,862	-	-	-			361,897,862	(18,349,735)				(2,195,112)	(2,195,112)
Investment properties	361,897,862	-	-	-	-	-	361,897,862	(18,349,735)	-	-	(2,195,112)	(2,195,112)	
Total	2,006,648,904	13,217,775	(1,668,950)	36,186,517			(2,259,401)	2,054,384,246	(491,742,720)	196,268		(56,157,511)	
Land and buildings	6,968,153,466	52,789,416	(3,456)	42,592,879								(352,664,459)	-2,939,520,392
Infrastructure	21,777,245	-	-	-			21,777,245	2,647,052,202	(2,971,492)	-		(3,644,070)	18,133,175
Community Assets	2,537,117	-	-	-			2,537,117	(235,147)				(235,147)	2,301,970
Heritage assets	334,355,189	24,485,183	-	-			368,850,362	(163,843,507)				(205,118,828)	153,731,524
Other assets	982,113,580	518,987,189	-	(477,111,165)			1,033,989,604					(14,217,957)	1,033,989,604
Construction work in progress	13,114,594	7,929,169	-	-			21,043,763	(3,998,597)				(854,428)	(14,217,957)
Intangible assets	381,897,862	-	-	-			361,897,862	(18,349,735)				(2,195,112)	(2,195,112)
Investment properties	361,897,862	-	-	-	-	-	361,897,862	(18,349,735)	-	-	(2,195,112)	(2,195,112)	
Total	2,006,648,904	13,217,775	(1,668,950)	36,186,517			(2,259,401)	2,054,384,246	(491,742,720)	196,268		(56,157,511)	
Land and buildings	6,968,153,466	52,789,416	(3,456)	42,592,879								(352,664,459)	-2,939,520,392
Infrastructure	21,777,245	-	-	-			21,777,245	2,647,052,202	(2,971,492)	-		(3,644,070)	18,133,175
Community Assets	2,537,117	-	-	-			2,537,117	(235,147)				(235,147)	2,301,970
Heritage assets	334,355,189	24,485,183	-	-			368,850,362	(163,843,507)				(205,118,828)	153,731,524
Other assets	982,113,580	518,987,189	-	(477,111,165)			1,033,989,604					(14,217,957)	1,033,989,604
Construction work in progress	13,114,594	7,929,169	-	-			21,043,763	(3,998,597)				(854,428)	(14,217,957)
Intangible assets	381,897,862	-	-	-			361,897,862	(18,349,735)				(2,195,112)	(2,195,112)
Investment properties	361,897,862	-	-	-	-	-	361,897,862	(18,349,735)	-	-	(2,195,112)	(2,195,112)	
Total	2,006,648,904	13,217,775	(1,668,950)	36,186,517			(2,259,401)	2,054,384,246	(491,742,720)	196,268		(56,157,511	

City of Mbombela

Unaudited supplementary schedule - Additional disclosure of councillor remuneration for the period ended 30 June 2017

Appendix C

City of Mbombela

Unaudited supplementary schedule - Deviations from supply chain management for the year ended 30 June 2017

Name of Company	Appendix E			
	Emergency	Single Provider	Exceptional	TOTAL
	R	R	R	R
Abarazane Trading cc	480 391	-	126 172	606 563
Afri Pride Trading cc	-	147 250	-	147 250
Afroshine Holdings	25 017	-	35 024	60 042
Agwalizandla 123	-	-	293 350	293 350
AJ Broom Road Products*	79 763	-	209 474	289 237
Alco Safe Pty Ltd	-	-	5 041	5 041
Andre Staal En Sweiswerke Bk	16 399	-	-	16 399
Ayamah Consulting (Pty) Ltd	-	-	12 717 723	12 717 723
Babata Pumps (Pty) Ltd	27 252	-	-	27 252
Barberton Community Radio (Bcr)	-	-	8 500	8 500
Bargain Books	23 991	-	105 155	129 146
Barloworld Equipment (Nelspruit)	431 263	-	-	431 263
Bell Equipment Sales South Africa Limited	936 719	-	250 233	1 186 952
BGM Trading 75 cc t/a Supa Quick Nelspruit	6 204	-	-	6 204
Bhalani Publishers	83 329	-	26 466	109 795
Braam Van Rensburg Attorneys t/a Bvr Attorneys	-	-	160 210	160 210
Brondal Group t/a Mommsen Investments cc	-	33 687	-	33 687
Buco Hardware Nelspruit t/a Iliad	-	11 087	-	11 087
Buhle Besive Contractors And Catering cc	1 036 683	-	-	1 036 683
Cad Con Ply Ltd	-	-	1 958 993	1 958 993
Colas South Africa (Pty) Ltd	132 422	-	169 666	302 089
Conlog	-	-	178 420	178 420
Contact Communications	-	-	11 836	11 836
Conway General Supplies	1 917	1 917	-	3 833
Coth Trade 041 cc t/a Smf Suppliers	66 690	-	-	66 690
CQS Technology (Pty) Ltd	-	-	116 823	116 823
Crawley'S Locksmiths	-	-	159 600	159 600
CS Traffic Engineering And Consulting Services	-	29 930	53 329	83 259
Custospace cc	-	-	41 250	41 250
David H Botha Du Plessis & Kruger	-	-	17 526	17 526
Dawson And Dobson cc	-	108 569	7 318	115 887
Dept Of Community Safety, Security And Liaison	28 144	-	84 433	112 577
Ducharme Training Institute	29 070	-	-	29 070
Eastern Transvaal Rubber Stamps t/a Jc Malherbe	-	-	5 651	5 651
EE Korkie	-	-	10 000	10 000
Eenstop Elektries(Edms)Bpk	13 520	-	-	13 520
Ehlanzeni Tyres cc	250	-	-	250
Electra	11 388	-	-	11 388
Electro Systems	-	2 344	-	2 344
Engen Petroleum Limited	-	-	162 079	162 079
Enviro Chainsaws Lowveld	19 274	-	-	19 274
Exclusive Books	25 004	-	56 067	81 071
Forest Fair Twenty Two t/a Sasol Nelspruit	-	25 978	-	25 978
Forrest Agri Pty Ltd	27 090	-	-	27 090
Freefall Trading 1071 t/a Indlovu Enterprises	36 466	-	-	36 466
G And D Distributors Nelspruit (Pty) Ltd t/a Ricoh	-	-	3 080	3 080
Gijima Holdings (Pty) Ltd	-	-	57 792	57 792
Gokgotshe Projects cc	-	10 178	-	10 178
Government Printing Works	-	-	17 250	17 250
Greater For All Trading	-	-	9 000	9 000
Hannes Scholtzenterprises (Pty) Ltd	29 300	-	-	29 300
Harry Green Music World	-	2 885	-	2 885
Hinterland Sa	-	-	2 424	2 424
Idi Technology Solutions Pty Ltd	-	-	2 508	2 508
Indwa Trading 26 cc t/a Biaton Paving	-	-	426 378	426 378
J Brynard t/a Amber Elektries	63 962	35 079	285 170	384 211
J P Barnard Drukery Ond. cc t/a Minuteman Press	31 598	-	71 107	102 705
John Maytham Investments	225 777	-	8 669	234 446
Komatsu S.A.(Pty) Ltd	406 202	-	6 517	412 718
KT Mokoena Attorneys	-	-	214 004	214 004
L K H Hydraulic Services cc	854 470	-	2 375	856 844
Lafarge Cement Lafarge Ready Mixed Concrete t/a L	54 900	-	145 531	200 431
Landis & Gyr (Pty) Ltd	490 428	-	574 993	1 065 421
Lekgawutsane Trading cc	41 250	-	-	41 250

City of Mbombela

Unaudited supplementary schedule - Deviations from supply chain management for the year ended 30 June 2011

Appendix E

Name of Company	Emergency	Single Provider	Exceptional	TOTAL
	R	R	R	R
Lelolihle Trading cc	70 032	-	-	70 032
Lexis Nexis	-	-	42 713	42 713
Liquor City	2 983	-	-	2 983
Lithotech Sales Pretoria (Pty) Ltd	-	-	83 300	83 300
Lowveld Garage Equipment cc	18 787	-	-	18 787
Lowveld SPCA	-	-	418 216	418 216
Madonsela Mthunzi Inc Attorneys(Pty) Ltd	-	-	249 185	249 185
Mahhuleni Transport	-	-	36 366	36 366
Mampotiyela Enterprise	-	15 950	-	15 950
Media24	-	-	193 982	193 982
Merlin Gerin Sa Pty Ltd t/a Conlog	-	-	49 878	49 878
Move-Around	23 370	-	-	23 370
Mpuluzana Trading cc	-	-	25 000	25 000
Msikinya Attorneys And Associates	-	-	266 296	266 296
Mzuzu Attorneys	-	-	132 719	132 719
National Asphalt (Pty) Ltd	175 901	-	525 526	701 427
Nel Trophies cc	-	-	17 144	17 144
Nelspruit Auto Motors Pty Ltd	19 773	-	1 430	21 202
Ngangaza Construction And Transport	27 500	-	-	27 500
NJ Codze	5 000	-	-	5 000
NMI Durban South Motors t/a Union Motors Lowveld	188 061	-	-	188 061
Nosa Pty Ltd	-	-	9 000	9 000
Numbi Motors Pty Ltd	20 427	-	10 064	30 491
Octavowiz t/a Modisang Technologies	-	-	6 401	6 401
Opto East Coast Pty Ltd	76 013	-	-	76 013
Papawyk Trading Pty Ltd	19 358	-	-	19 358
Payday Software Systems cc	52 360	-	111 435	163 795
PC Smit Pompe	19 546	340 805	-	360 351
Philaplant Hire And Projects	-	4 351	-	4 351
Powertech System Intergrators Pty Ltd	-	-	268 847	268 847
Pricewaterhousecoopers	1 266 777	-	-	1 266 777
QP Switchgear	-	-	48 785	48 785
R Q Tech (Pty) Ltd	-	-	570 000	570 000
Rand Data Systemforms	-	-	73 172	73 172
RE A Sepela Trading Enterprise cc	-	23 900	-	23 900
Rhynyx Technologies cc	-	19 319	-	19 319
Robbietech cc Ta Paint Centre	33 991	-	46 054	80 045
Rocla (Pty) Ltd	115 739	-	153 949	269 687
Rudamans Nelspruit Pty Ltd	208 026	-	110 254	318 280
S & J Fittment Centre cc	151 589	-	1 254	152 843
Sabo Partners t/a S&B Partners	-	-	205 200	205 200
Safety Access	14 200	13 700	1 900	29 800
Saficon Industrial Equipment t/a Toyota Forklift	12 209	-	-	12 209
Saru Investments	27 500	-	-	27 500
Seartec Trading	9 757	-	-	9 757
Sikhukhula Trading Enterprise cc	27 810	-	57 381	85 192
Siraghela Phambili Trading 002 cc	7 190	3 878	-	11 068
Sitamanzi Contractors cc	-	341 127	6 019	347 146
Sitanani Landscapes cc	3 654	-	-	3 654
Slam Paper Distributors And Couriers	21 830	-	-	21 830
SMB Development Planet cc	-	-	20 000	20 000
South African Diving Contractors	-	182 450	-	162 450
Sphesphilile Trading	-	-	29 200	29 200
Supplycor	-	-	29 500	28 500
Swanepoel En Vennote	-	-	175 153	175 153
Syntell (Pty) Ltd	20 868	-	48 086	68 954
Task Motor Vehicles	-	-	386 279	386 279
Technology Ideas (Pty) Ltd	8 117	-	-	8 117
The Lowvelder / Mpumalanga News L 0005908	-	-	1 148 435	1 148 435
Thulatsepo General Trading cc	22 500	-	-	22 500
Times Media (Pty) Ltd	-	-	1 464	1 464
Tradevest 152 (Pty) Ltd t/a Time Design Computer	1 824	1 824	-	3 648
Transunion Auto Information Solutions	-	-	5 996	5 996
Truelo Manu (Pty) Ltd	-	-	69 000	69 000

City of Mbombela

Unaudited supplementary schedule - Deviations from supply chain management for the year ended 30 June 2017

Name of Company	Appendix E			
	Emergency R	Single Provider R	Exceptional R	TOTAL R
Turner Morris Manufacturing (Pty) Ltd	24 126	-	-	24 126
Van Schaik Bookstore	-	-	34 729	34 729
Verotest	-	-	8 005	8 005
Vuna Investment And Development	232 180	-	-	232 180
Westvaal Holdings Pty Ltd	83 249	2 623	16 904	102 776
Wild Lab I/a Turfmaster	-	-	6 725	6 725
Workshop Electronics cc	19 421	-	10 540	29 961
Xerox Lowveld Office Automation (Pty) Ltd	-	-	836	836
Zamangwane Consulting Ta Zmgwatech	32 790	4 897	4 897	42 584
Total Deviations	8 800 594	1 343 727	24 514 355	34 658 676

City of Mbombela

Appendix G1

**Unaudited Budgeted Financial Performance (revenue and expenditure by standard classification)
for the year ended 30 June 2017**

2016/2017										2015/2016																
Original Budget	Budget Adjustments (1.i.o. s28 and s31 of the MFMA)		Final budget adjustments		Shifting of funds (1.o. s31 of the MFMA)		Virement (1.o. Council approved policy)		Final Budget		Actual Outcome		Unauthorized expenditure		Variance of Actual Outcome against Adjustments		Actual Outcome as % of Final Budget		Actual Outcome as % of Original Budget		Reported unauthorized expenditure		Expenditure authorised in terms of section 32 of MFMA		Retired Audited Outcome	
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	
Revenue - Standard																										
governance and administration																										
executive and council	965,290,976	(2,176,346)	963,114,630	4,068,798	949,475,936	951,653,021	(2,176,346)	949,475,936	963,114,630	4,068,798	976,327,036	2,028,888	949,476,936	951,653,021	949,476,936	949,476,936	949,476,936	949,476,936	13,212,446	101 %	101 %	50 %	101 %	101 %	50 %	
budget and treasury office	8,569,186	-	8,569,186	9,569,156	9,569,156	9,569,156	-	9,569,156	9,569,156	9,569,156	9,225,230	9,225,230	9,569,156	9,569,156	9,569,156	9,569,156	9,569,156	(343,926)	102 %	102 %	101 %	101 %	101 %	101 %		
corporate services	41,487,123	(13,576,508)	27,910,116	2,612,362	2,612,362	2,612,362	(13,576,508)	27,910,116	2,612,362	2,612,362	27,880,616	18,702,149	18,702,149	2,612,362	2,612,362	2,612,362	2,612,362	2,612,362	(8,188,466)	71 %	71 %	48 %	48 %	48 %	48 %	
community and public safety																										
community and social services	13,097,965	(8,058,842)	5,039,303	20,238,950	20,238,950	20,238,950	(8,058,842)	5,039,303	20,238,950	20,238,950	5,039,303	4,191,940	4,191,940	5,039,303	5,039,303	5,039,303	5,039,303	5,039,303	(847,383)	83 %	83 %	50 %	50 %	50 %	50 %	
sport and recreation	25,736,795	(5,517,846)	-	-	-	-	-	-	-	-	20,238,950	14,217,085	14,217,085	20,238,950	20,238,950	20,238,950	20,238,950	20,238,950	(6,021,865)	DIV0 %	DIV0 %	DIV0 %	DIV0 %	DIV0 %	DIV0 %	
public safety	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	DIV0 %	DIV0 %	DIV0 %	DIV0 %	DIV0 %	DIV0 %		
disaster risk reduction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	DIV0 %	DIV0 %	DIV0 %	DIV0 %	DIV0 %	DIV0 %		
economic and environmental services																										
environmental protection	739,886,137	(7,269,887)	732,538,450	-	-	-	-	-	732,538,450	492,541,066	-	-	(239,997,345)	-	-	-	-	-	67 %	67 %	67 %	67 %	67 %	67 %	67 %	
environmental management and transport	13,587,165	(2,574,388)	10,992,777	728,330,972	721,545,673	721,545,673	(4,785,289)	10,992,777	8,302,986	721,545,673	484,238,200	-	-	(2,669,912)	-	-	-	-	67 %	67 %	67 %	67 %	67 %	67 %	67 %	
environmental monitoring and reporting services	1,214,026,334	(1,196,372)	1,098,631,062	855,478,845	(14,412,759)	841,065,866	250,054,188	(8,609,378)	241,444,321	841,065,866	789,151,151	241,444,321	23,950,461	23,950,461	23,950,461	23,950,461	23,950,461	(97,911,692)	92 %	92 %	91 %	91 %	91 %	91 %	91 %	
electricity	17,979,875	5,970,846	22,983,635	90,513,675	(343,281)	90,170,394	-	-	-	-	90,170,394	88,955,018	88,955,018	-	-	-	-	-	(53,532,756)	85 %	85 %	83 %	83 %	83 %	83 %	83 %
water	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(986,826)	78 %	78 %	75 %	75 %	75 %	75 %	75 %	
waste management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,217,375)	98 %	98 %	128 %	128 %	128 %	128 %	128 %	
other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	DIV0 %	DIV0 %	DIV0 %	DIV0 %	DIV0 %	DIV0 %	DIV0 %	
Total Revenue - Standard	2,965,682,569	(40,507,382)	2,920,174,717	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(332,865,037)	89 %	89 %	87 %	87 %	87 %	87 %	87 %

City of Mbombela
Appendix G1
Unaudited Budgeted Financial Performance (revenue and expenditure by standard classification)
for the year ended 30 June 2017

2016/2017

Unaudited Budgeted Financial Performance (revenue and expenditure by standard classification)
for the year ended 30 June 2017

2015/2016

	Original Budget	Budget Adjustments (I.t.o. ss28 and ss31 of the MFMA)	Final adjustments budget	Shifting of funds I.t.o. ss31 of the MFMA)	Virement of funds I.t.o. Council approved policy)	Final Budget	Actual Outcome	Variance of Outcome against Adjustments Budget	Unauthorized expenditure	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorized expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome			
Expenditure - Standard																		
Governance and administration	629,470,316	15,949,738	645,420,054			645,420,054	606,369,148			(39,450,909)	94 %	94 %						
Executive and council	282,371,204	(7,537,319)	244,833,885			286,650	236,833,885	221,050,087	(21,582,952)	(23,785,786)	90 %	88 %						
Budget and treasury office	213,371,245	23,487,057	236,858,302			792,761	164,520,628	169,091,131	-	(21,060,025)	91 %	101 %						
Corporate services	163,727,867	163,727,867				(73,928,210)	275,928,683	245,234,104		(30,895,379)	103 %	103 %						
Community and public safety	348,388,949	1,470,244	349,856,883			59,000,779	1,098,986	60,100,764	57,700,043	(2,400,721)	89 %	70 %						
Community and social services	59,000,779					138,834,108	138,834,108	138,834,108	126,672,918	(12,161,189)	96 %	98 %						
Sport and recreation	138,834,108					121,351,470	1,470,244	(75,026,195)	47,795,519	42,249,059	(5,546,450)	91 %	91 %					
Public safety	121,351,470					17,866,615	-	17,866,615	15,478,406	(2,388,206)	86 %	85 %						
Housing	17,866,615					11,332,677	-	11,332,677	3,133,667	(8,199,010)	87 %	87 %						
Health	11,332,677					28,710,053	354,306,515	11,500,000	(2,356,066)	363,486,518	625,473,918	28 %	28 %					
Economic and environmental services	325,588,452					32,455,988	44,034,733	11,500,000	(2,356,000)	43,034,733	47,712,239	281,955,403	172 %	192 %				
Planning and development	47,922,071	(3,887,398)	307,127,469			1,141,413	3,146,313	3,146,313	3,146,313	3,146,313	13,041,718							
Road transport	274,671,481					(36,732,408)	1,048,87,080	75,453,789	1,124,324,878	1,222,460,818	98,135,377	108 %	113 %					
Environmental protection	3,004,900					(34,492,406)	571,940,789	75,453,799	647,384,588	725,054,310	77,658,722	112 %	120 %					
Trading services	1,085,883,496	2,300,000	269,246,574			34,001,250	34,001,250	34,001,250	35,405,253	35,405,253	15,711,059	105 %	104 %					
Electricity	606,453,195					183,632,467	-	183,682,487	183,682,487	187,043,470	3,361,003	102 %	102 %					
Water	261,568,574					5,035,435	-	5,035,435	6,035,438	1,872,795	(3,162,640)	37 %	37 %					
Waste water management	34,001,250					5,035,435	-	5,035,435	5,035,435	1,872,795	(3,162,640)	37 %	37 %					
Waste management	183,632,467																	
Other	5,035,435																	
Total Expenditure - Standard	2,384,183,338	9,337,639	2,403,491,977			11,500,000			2,414,989,977	2,700,986,578		205,989,601	112 %	113 %				
Surplus/(Deficit) for the year	506,529,231	(49,845,491)	516,883,740			(11,500,000)			505,183,740	(113,660,948)		(618,844,686)	(22)%	(20)%				

**City of Mbombela
Appendix G2
Unaudited Budget
for the year ended**

**Unaudited Budgeted Financial Performance (revenue and expenditure by municipal vote)
for the year ended 30 June 2017**

Revenue by Vote

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graph TD
    A[Total Expenditure by Vote] --> B[Surplus/(Deficit) for the year]
    B --> C[Council - Management]
    C --> D[Municipal Manager]
    C --> E[Financial Management]
    C --> F[Corporate Services]
    C --> G[Public Works and Transport]
    C --> H[Energy]
    C --> I[Water and Sanitation]
    C --> J[Community Services]
    C --> K[Public Safety]
    C --> L[City Planning]
  
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City of Mbombela
Appendix G3
Budgeted Financial Performance (revenue and expenditure)
for the year ended 30 June 2017

2016/2017

Revenue By Source	Original Budget		Final Budget		Virement (f.t.o. Council approved policy)		Actual Outcome		Unauthorised expenditure		Variance of Actual Outcome against Budget		Actual Outcome as % of Final Budget		Reported as % of Original Budget		Expenditure authorised in terms of section 32 of MFMA		Balance to be recovered		Restated Audited Outcome	
	Budget Adjustments (f.t.o. s328 and s31 of the MFMA)	Rand	Budget adjustments Final budget	Rand	Virement funds (f.t.o. MFMA)	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
Property rates	388,780,434	14,437,916	403,218,350	-	-	-	403,218,350	370,132,722	-	-	(33,085,828)	92 %	DIV/O %	95 %	DIV/O %	-	-	-	-	-	-	-
Property rates - penalties & collection charges	861,993,307	(20,691,122)	841,302,185	-	-	-	841,302,185	781,325,882	-	-	(59,976,323)	93 %	91 %	91 %	93 %	-	-	-	-	-	-	-
Service charges - electricity revenue	89,430,237	(14,886,291)	74,543,946	-	-	-	74,543,946	83,474,810	-	-	8,930,884	112 %	97 %	97 %	127 %	-	-	-	-	-	-	-
Service charges - water revenue	18,095,144	5,587,648	23,682,792	-	-	-	23,682,792	22,983,561	-	-	(688,231)	98 %	98 %	98 %	127 %	-	-	-	-	-	-	-
Service charges - sanitation revenue	95,835,444	(5,924,669)	89,910,775	-	-	-	89,910,775	83,284,070	-	-	(6,646,705)	83 %	83 %	83 %	87 %	-	-	-	-	-	-	-
Service charges - refuse revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	21,757,887	(3,572,858)	18,185,034	-	-	-	18,185,034	13,995,228	-	-	(4,189,806)	77 %	77 %	77 %	84 %	-	-	-	-	-	-	-
Interest earned - external investments	9,261,586	(1,578,341)	7,682,254	-	-	-	7,682,254	26,375,555	-	-	18,993,301	343 %	343 %	343 %	285 %	-	-	-	-	-	-	-
Interest earned - outstanding debtors	11,786,060	7,863,805	19,649,865	-	-	-	19,649,865	1,884,850	-	-	(11,785,015)	9 %	9 %	9 %	16 %	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	26,131,014	(1,828,831)	24,301,183	-	-	-	24,301,183	6,582,387	-	-	(17,708,786)	27 %	27 %	27 %	25 %	-	-	-	-	-	-	-
Licences and permits	2,848,596	1,358,787	4,207,393	-	-	-	4,207,393	-	-	-	(4,207,383)	-	-	-	-	-	-	-	-	-	-	-
Agency services	161,292,074	(6,391,084)	154,901,780	-	-	-	154,901,780	34,708,403	-	-	(120,193,377)	22 %	22 %	22 %	22 %	-	-	-	-	-	-	-
Transfers recognised - operational	542,148,574	(66,625,043)	475,523,531	-	-	-	475,523,531	494,367,792	-	-	18,844,261	104 %	104 %	104 %	104 %	-	-	-	-	-	-	-
Other revenue	63,645,421	9,038,280	72,684,701	-	-	-	72,684,701	30,167,783	-	-	(42,496,918)	42 %	42 %	42 %	47 %	-	-	-	-	-	-	-
Gains on disposal of PPE	318,000	-	318,000	-	-	-	318,000	-	-	-	(318,000)	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	2,253,324,587	(83,212,808)	2,210,111,779	-	-	-	2,210,111,779	1,949,273,023	-	-	(261,838,766)	88 %	88 %	88 %	85 %	-	-	-	-	-	-	-

2015/2016

Revenue By Source	Original Budget		Final Budget		Virement (f.t.o. Council approved policy)		Actual Outcome		Unauthorised expenditure		Variance of Actual Outcome against Budget		Actual Outcome as % of Final Budget		Reported as % of Original Budget		Expenditure authorised in terms of section 32 of MFMA		Balance to be recovered		Restated Audited Outcome	
	Budget Adjustments (f.t.o. s328 and s31 of the MFMA)	Rand	Budget adjustments Final budget	Rand	Virement funds (f.t.o. MFMA)	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
Property rates	388,780,434	14,437,916	403,218,350	-	-	-	403,218,350	370,132,722	-	-	(33,085,828)	92 %	DIV/O %	95 %	DIV/O %	-	-	-	-	-	-	-
Property rates - penalties & collection charges	861,993,307	(20,691,122)	841,302,185	-	-	-	841,302,185	781,325,882	-	-	(59,976,323)	93 %	91 %	91 %	93 %	-	-	-	-	-	-	-
Service charges - electricity revenue	89,430,237	(14,886,291)	74,543,946	-	-	-	74,543,946	83,474,810	-	-	8,930,884	112 %	97 %	97 %	127 %	-	-	-	-	-	-	-
Service charges - water revenue	18,095,144	5,587,648	23,682,792	-	-	-	23,682,792	22,983,561	-	-	(688,231)	97 %	97 %	97 %	127 %	-	-	-	-	-	-	-
Service charges - sanitation revenue	95,835,444	(5,924,669)	89,910,775	-	-	-	89,910,775	83,284,070	-	-	(6,646,705)	83 %	83 %	83 %	87 %	-	-	-	-	-	-	-
Service charges - refuse revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	21,757,887	(3,572,858)	18,185,034	-	-	-	18,185,034	13,995,228	-	-	(4,189,806)	77 %	77 %	77 %	84 %	-	-	-	-	-	-	-
Interest earned - external investments	9,261,586	(1,578,341)	7,682,254	-	-	-	7,682,254	26,375,555	-	-	18,993,301	343 %	343 %	343 %	285 %	-	-	-	-	-	-	-
Interest earned - outstanding debtors	11,786,060	7,863,805	19,649,865	-	-	-	19,649,865	1,884,850	-	-	(11,785,015)	9 %	9 %	9 %	16 %	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	26,131,014	(1,828,831)	24,301,183	-	-	-	24,301,183	6,582,387	-	-	(17,708,786)	27 %	27 %	27 %	25 %	-	-	-	-	-	-	-
Licences and permits	2,848,596	1,358,787	4,207,393	-	-	-	4,207,393	-	-	-	(4,207,383)	-	-	-	-	-	-	-	-	-	-	-
Agency services	161,292,074	(6,391,084)	154,901,780	-	-	-	154,901,780	34,708,403	-	-	(120,193,377)	22 %	22 %	22 %	22 %	-	-	-	-	-	-	-
Transfers recognised - operational	542,148,574	(66,625,043)	475,523,531	-	-	-	475,523,531	494,367,792	-	-	18,844,261	104 %	104 %	104 %	104 %	-	-	-	-	-	-	-
Other revenue	63,645,421	9,038,280	72,684,701	-	-	-	72,684,701	30,167,783	-	-	(42,496,918)	42 %	42 %	42 %	47 %	-	-	-	-	-	-	-
Gains on disposal of PPE	318,000	-	318,000	-	-	-	318,000	-	-	-	(318,000)	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	2,253,324,587	(83,212,808)	2,210,111,779	-	-	-	2,210,111,779	1,949,273,023	-	-	(261,838,766)	88 %	88 %	88 %	85 %	-	-	-	-	-	-	-

City of Mbombela

Appendix G3

**Budgeted Financial Performance (revenue and expenditure)
for the year ended 30 June 2017**

2016/2017

	Original Budget	Budget Adjustments (I.I.O. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (I.I.O. s31 of the MFMA)	Virement (I.I.O. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance of Outcome against Adjustments	Actual Outcome of Final Budget	Actual Outcome as % of Original Budget	Reported expenditure authorised in terms of section 32 of MFMA	Expenditure to be recovered	Balance to be restated Audited Outcome	2015/2016		
Expenditure By Type																	
Employee related costs	605,495,624	10,827,053	616,262,677	-	-	616,262,677	576,338,064	-	-	(39,924,613)	94 %	95 %	-	-	-	-	
Remuneration of councillors	35,892,237	(2,228,261)	33,465,976	-	-	33,465,976	30,680,102	-	-	(2,785,874)	92 %	88 %	-	-	-	-	
Debt impairment	81,287,851	-	81,287,851	-	-	81,287,851	72,285,685	-	-	(8,022,166)	89 %	89 %	-	-	-	-	
Depreciation & asset impairment	219,423,887	-	219,423,837	-	-	219,423,837	455,223,430	-	-	238,798,593	207 %	207 %	-	-	-	-	
Finance charges	26,489,941	4,250,000	30,719,941	-	-	3,387,615	34,107,456	-	-	14,556,229	143 %	184 %	-	-	-	-	
Bulk purchases	537,392,661	(19,924,904)	517,377,757	-	-	75,453,798	592,831,556	-	-	13,903,509	102 %	113 %	-	-	-	-	
Other materials	60,631,717	(6,475,584)	54,156,133	-	-	(11,348,903)	42,807,230	-	-	(42,807,230)	- %	- %	-	-	-	-	
Contracted services	528,732,534	(9,476,194)	548,208,728	11,500,000	-	(9,448,987)	550,269,741	-	-	56,086,181	110 %	115 %	-	-	-	-	
Transfers and grants	37,910,368	(3,890,045)	34,020,323	-	-	7,261,441	41,281,764	-	-	(2,011,086)	95 %	104 %	-	-	-	-	
Other expenditure	261,275,838	7,282,185	268,568,023	-	-	(65,304,865)	203,263,158	-	-	285,447,928	62,184,768	131 %	102 %	-	-	-	
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	DIV/O %	DIV/O %	DIV/O %	DIV/O %	
Total Expenditure	2,394,762,668	9,328,538	2,403,491,246	11,500,000	-	2,414,991,246	2,706,950,577	-	-	285,869,501	112 %	113 %	-	-	-	-	
Surplus/(Deficit)	(100,538,021)	(92,541,446)	(193,379,467)	(11,500,000)	-	(204,879,467)	(761,677,554)	-	-	(546,798,357)	367 %	746 %	-	-	-	-	
Transfers recognised - capital contributions	667,357,982	42,704,955	710,062,937	-	-	710,062,937	638,016,606	-	-	(72,046,331)	90 %	98 %	-	-	-	-	
Contributed assets	-	-	-	-	-	-	-	-	-	-	DIV/O %	DIV/O %	DIV/O %	DIV/O %	DIV/O %	DIV/O %	
Surplus/(Deficit) after capital transfers & contributions	566,519,961	(49,836,491)	516,683,470	(11,500,000)	-	505,163,470	(113,660,948)	-	-	(618,844,418)	(22)%	(20)%	-	-	-	-	
Taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit) after taxation	566,519,961	(49,836,491)	516,683,470	(11,500,000)	-	505,163,470	(113,660,948)	-	-	(618,844,418)	(22)%	(20)%	-	-	-	-	
Attributable to minorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit) attributable to municipality	566,519,961	(49,836,491)	516,683,470	(11,500,000)	-	505,163,470	(113,660,948)	-	-	(618,844,418)	(22)%	(20)%	-	-	-	-	
Share of surplus / (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit) for the year	566,519,961	(49,836,491)	516,683,470	(11,500,000)	-	505,163,470	(113,660,948)	-	-	(618,844,418)	(22)%	(20)%	-	-	-	-	

